



Daily Report

East Asia

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Japan

Owada Leaves for U.S. To Prepare Summit

OW1703043293 Tokyo KYODO in English 0246 GMT
17 Mar 93

[Text] Tokyo, March 17 KYODO—Vice Foreign Minister Hisashi Owada left for the United States on Wednesday to lay the groundwork for a summit meeting between Prime Minister Kiichi Miyazawa and U.S. President Bill Clinton in mid-April.

Owada will hold talks with U.S. Secretary of State Warren Christopher in Washington on Thursday. He will also meet Strobe Talbott, ambassador-at-large and special adviser to Christopher on the former Soviet Union, as well as senior officials of the White House.

Owada will discuss with U.S. leaders Miyazawa's visit to the U.S. between April 15 and 18, aid to Russia, which is expected to be a focal issue in the July 7-9 summit of the Group of Seven economic powers in Tokyo, and North Korea's withdrawal from the nuclear Non-Proliferation Treaty.

The vice foreign minister is also scheduled to give a lecture in New York on Japan-U.S. cooperation in the Asia-Pacific region. He also plans to visit Geneva to attend a meeting of the International Committee of the Red Cross before returning to Japan on March 24.

Meets U.S. Administration Officials

OW1803033093 Tokyo KYODO in English 0322 GMT
18 Mar 93

[Text] Washington, March 17 KYODO—Japanese Vice Foreign Minister Hisashi Owada met with U.S. Administration officials Wednesday and outlined Tokyo's positions on issues prior to Prime Minister Kiichi Miyazawa's scheduled visit in mid-April. Owada and Deputy Secretary of State Clifton Wharton agreed that changes need to be made in the way aid is provided to developing nations in the post-cold war era, Japanese officials said.

Owada stressed that the ideas of Indonesian President Suharto, who has asked for the cooperation of the developed nations, will be presented at the Tokyo summit of the Group of Seven (G-7) major industrialized nations on July 7-9, the officials said. He also met Strobe Talbott, ambassador-at-large and special adviser to Christopher on the former Soviet Union, and Assistant Secretary of State Peter Tarnoff, to explain Tokyo's desire for a resolution to the territorial dispute over four Russian-held islands off Hokkaido in northern Japan.

Owada explained Japan's fundamental position on technological and humanitarian aid to Russia.

He is scheduled to meet with U.S. Secretary of State Warren Christopher Thursday [18 March] morning. Owada will formally inform Tokyo's decision not to

convene an emergency G-7 summit over aid to Russia, but signaled a desire to hold a meeting of foreign and finance ministers at the end of April.

Officials: Chip Share 'Likely' To Fall Short

OW1803034793 Tokyo KYODO in English 0327 GMT
18 Mar 93

[Text] Tokyo, March 18 KYODO—Japanese and U.S. Government officials started talks in Hawaii Wednesday [17 March] to assess the present share of foreign-made microchips in the Japanese market for the final quarter of 1992, Japan's trade ministry officials said Thursday.

The officials of the Ministry of International Trade and Industry (MITI) said the bilateral meeting will likely produce the market-share figures on Saturday [20 March] morning (Japan time). MITI sources said the final-quarter share will likely be short of the 20 percent target which Tokyo was expected to achieve by the end of 1992 under a bilateral 1990 chip pact.

In the preceding July-September quarter, the foreign share stood at 17.7 percent, down 0.2 percentage point from the previous three months, according to the Japanese calculating formula. Under the U.S. method, which excludes chips produced in Japan by foreign firms for their own use, the total was 15.9 percent, down from the previous 16 percent.

The sources said Japan will inevitably face renewed U.S. pressure to do something to boost foreign access to the nation's chip market if the 20-percent target is not met, an outcome which is considered very likely. Apparently expecting such U.S. pressure, the ministry will hold talks with representatives of Japanese chip users on Monday [22 March] and Tuesday [23 March] in Hawaii to examine the figures and consider possible future steps.

Official: No Compliance With Higher Chip Share

OW1803092393 Tokyo KYODO in English 0910 GMT
18 Mar 93

[Text] Tokyo, March 18 KYODO—Japan will not comply with a higher market share for foreign-made microchips in the domestic market if so requested by the United States, a high-ranking official of the Ministry of International Trade and Industry (MITI) said Thursday. Yuji Tanahashi, vice minister of international trade and industry, told reporters that if the U.S. proposes a higher market share for foreign chips during a bilateral chip trade meeting starting next Monday in Hawaii, Japan will not agree.

Washington is expected to ask that Japan accept more foreign microchips when the two countries hold semiconductor trade consultations to review the 1991 microchip accord.

Terms of the accord are in dispute. Japan insists a proposal to achieve a 20 percent market share for foreign-made semiconductors was merely a goal, while the

U.S. says the market share was a promised target. The foreign market share is not expected to reach the 20 percent mark in fiscal 1992.

MITI will announce the latest data concerning the market share of foreign-made semiconductors at the end of 1992 as early as Saturday.

Talks With U.S. Stall on Construction Market

*OW1803143293 Tokyo KYODO in English 1415 GMT
18 Mar 93*

[Text] Tokyo, March 18 KYODO—Japan and the United States ended two days of talks Thursday to review foreign access to Japan's construction market without ironing out differences over bidding procedures, Japanese officials said. U.S. participants called on Tokyo to make it easier for foreign builders to bid for public works projects but the Japanese side insisted there is no need to change the current system, they said.

The U.S. side also asked Japan to add six pending public works to projects open to foreign builders as soon as possible to increase purchases of foreign construction materials and to help foreign builders join projects related to the 1998 Nagano winter Olympic games, according to the officials.

The two sides agreed to meet again at an early date to discuss these issues, including one over bidding procedures, they said. The talks were designed to review progress made since a 1988 bilateral agreement on procedures to allow U.S. builders to bid on public works projects in Japan.

Tokyo Plans To Buy New Planes From U.S.

*OW1803072193 Tokyo KYODO in English 0608 GMT
18 Mar 93*

[Text] Tokyo, March 18 KYODO—Japan plans to buy another jumbo jet and a small passenger plane from the United States for government use in a bid to help reduce its trade surplus, government sources said Thursday. The plan is in the final stages of discussion and costs will be earmarked in the fiscal 1993 supplementary budget likely to be compiled later this year, the sources said.

Prime Minister Kiichi Miyazawa will inform the U.S. Government about the plan during his U.S. visit scheduled for April 15 to 18, the sources said. The government is considering the purchase of a Boeing 747-400 and a Falcon 900b, a 20-passenger jet designed by French maker Dassault and assembled in the U.S.

The French Government, also worried about its trade deficit with Japan, and U.S. legislators had been lobbying for the Falcon purchase.

Japan posted a 43.6 billion dollar trade surplus with the United States in 1992 and 31.1 billion dollars with the European Community, according to customs-cleared statistics released by the Finance Ministry in January.

The jumbo, which will complement the existing government fleet of two Boeing 747 aircraft, is expected to cost about 18 billion yen, while the Falcon's price tag is 3 billion yen. The Falcon will be used for domestic flights and trips to neighboring countries in Asia both for cabinet members and visiting foreign guests, the sources said. It will also be used for destinations where the runways are not long enough for the jumbos.

The jumbo will be used to take government officials on long-distance trips abroad and probably for transport operations related to United Nations peacekeeping activities.

The present staff of 33 flight attendants and five pilots will be increased with the enlargement of the government fleet, the sources said.

Police Discuss Security Strategy for Summit

*OW1703043193 Tokyo KYODO in English 0133 GMT
17 Mar 93*

[Text] Tokyo, March 17 KYODO—The National Police Agency (NPA) held a meeting Wednesday to map out strategy for tightening security for a series of upcoming events, including the Tokyo summit of seven industrialized nations in July, NPA officials said.

At the meeting, NPA Commissioner General Yasumitsu Kiuchi instructed some 170 security officials from across Japan to prepare for long-term, large-scale deployment of riot police. Kiuchi said there is a high possibility of terrorism and guerrilla by leftist radicals and that the rightists are also strengthening their attacks because of corruption scandals involving politicians, the officials said. [sentence as received]

The NPA has already tightened security against expected moves by leftist radicals to protest the dispatch next month of a second batch of Self-Defense Forces (SDF) troops for United Nations peacekeeping operations in Cambodia, they said.

Some leftist groups are also opposed to a planned visit to Okinawa by Emperor Akihito and Empress Michiko on April 25 to attend a tree-planting ceremony. The visit will be the first by a Japanese emperor to Okinawa.

Massive security is also necessary for the wedding of Crown Prince Naruhito and Masako Owada, unofficially scheduled for June 9, and the Tokyo summit from July 7 and 9, the officials said.

Police will also be keeping a watch on rightist groups, which are stepping up their criticism of the government and the ruling Liberal Democratic Party following the arrest and indictment of former LDP Vice President Shin Kanemaru on charges of tax evasion, according to the officials.

Russia Seeks Support for Atomic Power Project

*OW1703122493 Tokyo KYODO in English 1015 GMT
17 Mar 93*

[Text] Tokyo, March 17 KYODO—Russia has asked Japan to cooperate in a nuclear power generation project in the Russian Far East, industry sources reported Wednesday. The sources said the request was made to Japanese electric power and heavy-duty electric industries by the Khabarovsk-based nuclear power project support organization, known as Adekso.

Adekso is an international organization inaugurated by the Russian Government in 1991 to promote the country's nuclear energy program. China, France and South Korea are members and Japan has been asked to join.

Russia announced last year a new nuclear power generation plan calling for construction of 22 reactors, including three in the Russian Far East, to make up for declining crude oil production in the country.

The three projects under way in Siberia include a 500,000-kilowatt facility about 120 kilometers northwest of Komsomolsk-na-Amur on the Amur River and a 600,000-kilowatt underground station in the suburbs of Vladivostok, the sources said. They said Germany has been asked to conduct safety checks on power plants and France to carry out an environmental survey.

Japan expects to be asked to provide earthquake-proof designs for nuclear reactors, the sources said.

SDF Head Opposes Foreign Pressure on DPRK

*OW1803083393 Tokyo KYODO in English 0815 GMT
18 Mar 93*

[Text] Tokyo, March 18 KYODO—Foreign pressure on North Korea will not persuade the country to remain within an international nuclear control pact, Japan's top military officer said Thursday.

North Korea "is an extremely peculiar nation and it would be dangerous to bring drastic pressure on it," said Adm. Makoto Sakuma, chairman of the Self-Defense Forces' [SDF] Joint Staff Council. Sakuma made the remark at a news conference, referring to North Korea's abrupt declaration last Friday of withdrawal from the Nuclear Non-Proliferation Treaty (NPT).

Pyongyang cited as a reason for its decision to pull out of the NPT the resumption this year of U.S.-South Korean joint military exercises after one year of suspension. It also cited foreign demands that it open two facilities to inspection by the International Atomic Energy Agency (IAEA) by March 25.

Pyongyang maintains the facilities are military and have no connection with its nuclear program, but the Vienna-based IAEA has demanded to inspect them to check for plutonium stocks.

On the possibility of military action on the Korean peninsula beginning around the March 25 deadline for North Korea to open the Yongbyon nuclear complex to inspection, Sakuma said, "I cannot rule out the possibility, but the likelihood is remote."

Watanabe Suggests China 'Influence' DPRK

*OW1803103593 Tokyo KYODO in English 0944 GMT
18 Mar 93*

[Text] Tokyo, March 18 KYODO—Foreign Minister Michio Watanabe on Thursday suggested China use its influence with North Korea to dissuade the country from pulling out of the Nuclear Non-Proliferation Treaty (NPT), ministry officials said. Officials said Watanabe conveyed Japan's "strong concern" over North Korea's decision last Friday [12 March] to leave the NPT in 45 minutes of talks with Chinese Communist Party Politburo member Wu Bangguo.

Watanabe also asked Wu, who is also the top figure of authority in Shanghai, to relay Japan's concern to other Politburo members, they said.

Wu was quoted as responding that he would do so, while saying China also has a "strong interest" in the situation and, like Japan, wants to see stability on the Korean peninsula ensured. He noted China's position that the Korean peninsula should be a nuclear-free zone.

Wu, who is secretary of the party branch in Shanghai, urged Japan to consider a planned new airport in a development zone of the city when formulating its 4th yen loan package to China.

Wu arrived in Japan on Wednesday for a 10-day visit. He is scheduled to deliver a speech on Friday before members of the powerful Federation of Economic Organizations (Keidanren).

Miyazawa Petitioned Regarding SRV Prisoners

*OW1803105393 Tokyo KYODO in English 1000 GMT
18 Mar 93*

[Text] Tokyo, March 18 KYODO—Vietnamese residents of Japan petitioned Prime Minister Kiichi Miyazawa on Thursday to call for the release of political prisoners when he meets with Vietnamese Prime Minister Vo Van Kiet next week.

Religious and pro-democracy leaders representing 2,300 Vietnamese said they presented the Japanese Government with a list of 538 prisoners, their sentences, and place of detention in a meeting with Deputy Chief Cabinet Secretary Motoji Kondo.

Au Minh Dung, director of the 85-member Japan chapter of the National United Front for the Liberation of Vietnam, said the group will make a similar request next month in personal meetings with the leaders of the United States, Australia and Switzerland. The prisoners'

names were verified last year after the 21-year-old pro-democracy group, with branches in 49 countries, obtained a list of 10,000 prisoners believed to be serving terms for advocating multiparty democracy or other political activities.

Dung estimated that 35,000 Vietnamese are in detention for political reasons. "If possible, we want to do what Cambodia is doing under the United Nations, have multiparty elections and protection of human rights," he told a news conference.

Dung was joined by Thich Chon Le of the 250-member Vietnam Buddhist Association in Japan, and Rev. P.M. Nguyen Huu Hien, who said he represents 2,000 Vietnamese Catholics. Some 5,000 Vietnamese currently live in Japan, Dung said.

Bank of Japan Welcomes Germany's Rate Cut

OW1803135293 Tokyo KYODO in English 1341 GMT 18 Mar 93

[Text] Tokyo, March 18 KYODO—Bank of Japan (BOJ) sources welcomed the German Bundesbank's decision Thursday to lower its discount rate by 0.5 percentage point to 7.5 percent, effective Friday. The sources said the rate cut would be helpful not only for Germany but also for the whole European economy.

However, they said Germany's economy has worsened markedly and that a rate cut alone could not prop up the country's economy.

On the impact on the exchange market, the sources said the rate would be a good factor in stabilizing the currency order in Europe.

Tokyo Offers Grants to Ethiopia, Zambia

OW1803122493 Tokyo KYODO in English 1141 GMT 18 Mar 93

[Text] Tokyo, March 18 KYODO—Japan will provide some 3 billion yen in nonrepayable grants to Ethiopia, Foreign Ministry officials said Thursday. The officials said a grant of up to 2.5 billion yen will be provided to help Ethiopia import goods needed to complement its economic restructuring efforts, as well as up to 503 million yen to purchase equipment to bore ground water wells.

Diplomatic notes formalizing the grant offers were exchanged earlier in the day between representatives of the two countries in the Ethiopian capital of Addis Ababa.

The officials said the 2.5 billion yen grant is part of a 600 million dollar grant Japan pledged at the July 1990 Paris summit of major industrialized nations to provide to African countries over three years. They said the summit pledge will have been fulfilled when Japan on Friday offers 4.3 billion yen in grants to three other African countries. The three nations were not identified.

Also on Thursday, Japan offered Zambia up to 300 million yen to purchase fertilizer to raise food production.

Prosecutors Quiz Major Contractors on Kanemaru

OW1803121593 Tokyo KYODO in English 1123 GMT 18 Mar 93

[Text] Tokyo, March 18 KYODO—Prosecutors have started questioning executives of leading construction firms on suspicion of providing huge cash donations to fallen ruling party don Shin Kanemaru, prosecution sources said Thursday. Prosecutors suspect Kanemaru used the Tokyo-based contractors' political donations as personal income, which he allegedly underreported to authorities to evade tax, the sources said.

The Tokyo District Public Prosecutors Office believes donations from smaller construction firms in Kanemaru's constituency in Yamanashi Prefecture were not big enough to enable him to amass the discount bank debentures, gold bars and piles of banknotes seized by authorities. Prosecutors are determined to find how Kanemaru gathered money as the former leader of "kensetsuzoku" (literally "construction tribe")—A group of parliamentarians with cozy financial ties with the construction industry and ministry, the sources said.

The former Liberal Democratic Party vice president is suspected to have wielded his political influence over Construction Ministry bureaucrats to direct public works projects to contractors with whom he had financial ties, they said. The prosecutors suspect the general contractors might have repaid their benefactor with handsome political donations which Kanemaru allegedly siphoned for his personal gain, they said.

On March 6, prosecutors arrested Kanemaru and seized 2.8 billion yen worth of debentures from his Tokyo home and political offices in Nagata-cho—on top of gold bars and cash estimated to total another billions of yen found in his safe and home.

Kanemaru was indicted March 13 on a charge of evading 118 million yen in income tax in 1987. Prosecutors plan to file additional charges for his alleged tax evasions in subsequent years.

Kanemaru's aggregate holdings of discount bank debentures issued by three banks—Nippon Credit Bank, the Industrial Bank of Japan and the Long-Term Credit Bank of Japan—are estimated at more than 4 billion yen, the sources said. On top of the 2.8 billion yen worth of debentures seized in the March 6 raid, Kanemaru's late wife Etsuko allegedly purchased 2 billion yen worth of discount bank debentures through Okasan Securities Co., the sources said.

Masao Imanaka, vice president of Okasan, said Thursday one of the brokerage's executives had been helping Kanemaru evade tax, though he denied the

company's involvement as a whole. Imanaka also said Kanemaru has "up to 10 accounts" in Okasan's branches under fictitious names.

Out of the 2 billion yen Etsuko entrusted Okasan executives with buying the debentures, 200 million yen was financed by political donations from a Yamanashi-based construction company, prosecution sources said.

Prosecutors raided the Yamanashi Construction Industry Association Wednesday to search for evidence to back up information on the alleged funding source of the 2 billion yen donation.

Kanemaru, whose detention period was extended for another 10 days of questioning by a court Wednesday, has still refused to identify from what companies and individuals he received the donations, the sources said.

Meanwhile, the Tokyo regional Tax Administration Bureau obtained contract documents regarding construction of Kanemaru's residence in Shirane, Yamanashi Prefecture, from Nishimatsu Construction Co., which built the house in 1991-1992. Nishimatsu, which complied with an order to submit the documents, is one of Japan's major general contractors that excels in large-scale civil engineering projects. It is listed in the first section of the Tokyo Stock Exchange.

The bureau suspects Kanemaru diverted political donations to finance the cost of construction of his home, sources close to the tax bureau said. The cost came to 298.7 million yen and Kanemaru paid the money in three installations [as received] from July 1991 until October 1992, the sources said.

The bureau is focusing its attention on a large discrepancy between Kanemaru's declared personal income for the two years and the construction cost, the sources said. Kanemaru might have used part of 1 billion yen he obtained by selling off part of his debenture holdings in 1992 to pay the construction cost, the sources said.

Kanemaru's annual taxes—calculated from income declared to the tax authorities—have hovered around 10 million yen since 1983. However, his tax amounts dipped below that figure in 1986, 1988 and 1989.

In 1991, when construction of his residence started, he paid 10.34 million yen in personal income tax. Under Japanese law, names of taxpayers who pay more than 10 million yen in tax are officially publicized, along with their tax sum.

Firm Admits Suspect Accounts Linked to Kanemaru

OW1803135593 Tokyo KYODO in English 1306 GMT 18 Mar 93

[Text] Tokyo, March 18 KYODO—Okasan Securities Co. admitted Thursday [18 March] the existence of suspicious accounts alleged to be used for tax evasion but

denied its involvement in the scandal embroiling former ruling party kingpin Shin Kanemaru.

"We have found accounts under fictitious names which are believed to be actually for Kanemaru," Vice President Masao Imanaka said at a press conference. But Imanaka denied that the second-tier brokerage had a role as a company in the tax evasion scandal, saying that only senior managing director Kagetoshi Oka is responsible for these false accounts.

Oka is suspected of arranging deals between the brokerage and Kanemaru in discount bank debentures to help Kanemaru evade taxes using the instrument, which requires no registration of the purchaser's name when bought in small lots. He has been summoned repeatedly for questioning by prosecutors since Kanemaru's March 6 arrest on charge of evading 118 million yen in income tax in 1987. Kanemaru was indicted on tax evasion charges March 13.

Imanaka indicated that Okasan may dismiss Oka, saying the brokerage will take strict action against Oka soon after his role in the tax evasion scandal is clarified.

Imanaka said an in-house investigation found that there were 10 accounts through which a total of 2 billion yen worth of discount bank debentures were purchased in 1986 and 1989. These accounts are among those which Oka managed and registered under names other than Kanemaru and his family members, Imanaka said. The details have yet to be discovered as Oka is being questioned by prosecutors, he said.

Takeshita's Home Prefecture Urges Reform

OW1803090093 Tokyo KYODO in English 0722 GMT 18 Mar 93

[Text] Matsue, March 18 KYODO—The prefectural assembly of Shimane, the constituency of former Prime Minister Noboru Takeshita, passed a resolution Thursday calling for early implementation of political reform.

With 39 out of its 41 members present, the assembly endorsed in a standing vote the resolution proposed by a 32-member ruling Liberal Democratic Party (LDP) League of Assembly Members. The resolution voiced concern that recent scandals involving politicians are increasing public distrust of politics and strongly called on the government to carry out drastic political reform. But it did not specifically allude to Takeshita or the names of the scandals, such as the money-and-mob Tokyo Sagawa Kyubin scandal.

Also Thursday, the assembly rejected an opposition resolution calling for Takeshita's resignation as a Diet member, with only seven members standing in favor. The resolution referred to the Tokyo Sagawa Kyubin scandal and the alleged massive tax evasion of former LDP Vice President Shin Kanemaru.

Takeshita has been under criticism for allegedly winning help from an underworld leader to help quell a rightist smear campaign against him in 1987 during his successful attempt to gain the LDP presidency, a post that automatically made him prime minister. When Takeshita testified under oath to the Diet in December and February, he denied having played any part in the affair and refused to retire from politics.

The LDP League of Assembly Members said it proposed the resolution because it did not want the public to think it is opposed to political reform. The assembly in October last year voted down an opposition-proposed resolution on political ethics.

Miyazawa 'Optimistic' About Economic Prospects

OW1803114093 Tokyo KYODO in English 1127 GMT 18 Mar 93

[Text] Tokyo, March 18 KYODO—Prime Minister Kiichi Miyazawa said Thursday he is optimistic that Japan's foundering economy will turn around by this fall. Addressing a general meeting of the Japan Chamber of Commerce and Industry, Miyazawa said, "The economic situation has been tough but I'm sure we are beginning to see light at the end of the tunnel."

The premier based his outlook on an improvement in stock prices and progress in inventory adjustment by corporations. Many companies have managed to clear the key hurdle of account settlement in the business year ending March 31, Miyazawa said.

Tokyo stock prices advanced to a six-month high Thursday with the Nikkei stock average of 225 blue chips rocketing 554.53 points to close at 18,727.90.

The premier noted the need to carefully watch business results in the January to March period of fiscal 1992 before making a clear-cut judgment on economic prospects.

Miyazawa also vowed to soon implement additional pump-priming measures, saying, "As far as the government is concerned, we must bravely, not idly, do what is considered necessary after the turn of the business year." The prime minister added he wants to shepherd the economy into the bright side by this fall.

Touching on recent political scandals, Miyazawa offered an apology to the public and reaffirmed his desire to get a package of four political reform bills through the Diet during the current sitting that runs through late June.

The recent arrest of former ruling party power broker Shin Kanemaru sparked a national chorus calling for sweeping political reform to prevent the recurrence of money scams involving politicians.

Until six months ago, Kanemaru, 78, was Japan's most powerful behind-the-scenes politician. He was arrested March 6 on suspicion of evading about 400 million yen

in tax by failing to declare 800 million yen in income in 1987 and 1987. He was indicted Saturday.

The ruling party's political reform package will tighten regulations over the flow of political contributions. Prosecutors suspect that Kanemaru siphoned off political donations to amass more than 6 billion yen worth of discount bank debentures, gold bars, stocks and cash in hidden personal assets.

Bond Underwriting Regulations To Begin Easing

OW1703114493 Tokyo KYODO in English 0836 GMT 17 Mar 93

[Text] Tokyo, March 17 KYODO—Regulations on underwriting of Japanese corporate bonds by overseas brokerage subsidiaries of Japanese banks will begin to ease in April and will be phased out completely in five years, Finance Ministry sources said Wednesday. They said curbs on underwriting of all privately placed corporate bonds, including convertible bonds and warrant bonds, will be removed in April in the initial step.

The regulations will be phased out by the end of fiscal 1997.

Banks will be allowed to underwrite publicly placed bond issues worth less than 10 billion yen in the second stage and finally, they will also be able to underwrite public bond issues worth 10 billion yen or more to be floated by corporations with net assets exceeding 500 billion yen, the sources said.

As for public issues exceeding 10 billion yen, each subsidiary will be allowed to underwrite such issues only once a year, the sources said.

When a subsidiary underwrites bonds to be issued by a corporation, the maximum ceiling for underwriting will be set at 10 billion yen per three months, they said. The so-called "fire wall" will be set up to separate the operations of parent banks and their brokerage subsidiaries, the sources said.

The sources said the phased deregulation is in line with liberalization of the domestic financial market under which banks will be allowed to engage in securities trading through subsidiaries, starting in fiscal 1993.

Ministry: No Change in Public Works Finance Law

OW1803115193 Tokyo KYODO in English 1101 GMT 18 Mar 93

[Text] Tokyo, March 18 KYODO—The Finance Ministry will not amend construction bond financing laws to expand the scope of public works projects in an additional fiscal package expected to be adopted after the Diet passes the fiscal 1993 budget, ministry officials said Thursday. The ministry will find ways to finance the planned projects within the limits stipulated under the

Public Finance Law and consider other sources in addition to construction bond financing, the officials said.

The ruling Liberal Democratic Party proposed revising the laws for construction bond financing to meet planned public works projects planned for the new fiscal package.

The ministry, however, is seeking to finance the new projects without amending the law. "The fiscal constitution can't be altered," Finance Minister Yoshiro Hayashi has said.

The ministry is now negotiating with the ruling party and related ministries and agencies to arrange details on the new projects, and will make a final decision as early as the beginning of April, the officials said.

The new social infrastructure program arose on concerns that further addition of conventional public works projects—such as construction of roads, schools and hospitals—could not be digested effectively to stimulate the economy. The initial fiscal 1993 budget already allocates a considerable amount of funds to such projects.

The Ministry of International Trade and Industry (MITI) is strongly pushing for the new package.

The new planned projects include a next-generation fiber optic telecommunications network, improvement of research facilities at public universities and institutions, installation of personal computers in public schools, and advanced equipment for public hospitals and welfare facilities.

The Finance Ministry will examine each of the new types of projects to determine if they are subject to construction bond financing.

The new package is also aimed at revising the fixed ceiling for public works projects distributed to ministries and agencies imposed by the ministry, the officials said. They said the ministry plans to approve new projects attached to conventional facilities investment but not computer installation projects.

Tough negotiations are expected for a first-stage project requested by the Ministry of Posts and Telecommunications to build a pilot plant for a next-generation telecom network. The Finance Ministry insists the project be financed by those who profit from it. Nippon Telegraph and Telephone Corp. has indicated it will work on its own project.

Against this backdrop, the ministry intends to use a fiscal investment and loan program, including loans from the Japan development bank, for the telecom project.

Revised Jan Industrial Output Reportedly Down

OW1703063393 Tokyo KYODO in English 0613 GMT
17 Mar 93

[Text] Tokyo, March 17 KYODO—Japan's industrial production fell a seasonally adjusted 0.3 percent in January from the previous month, the Ministry of International Trade and Industry said Wednesday in a revised report. The margin of the fall is the same as that of the estimated decline released late last month in the ministry's preliminary report.

The January decline in output at factories and mines followed falls of 1.3 percent in December, 2.7 percent in November, and 2.9 percent in October, the ministry said. Before seasonal adjustment, production continued dropping in January from a year earlier for the 16th straight month of decline, falling a revised 7.6 percent, the same amount as in the preliminary report.

The ministry said the series of drops from year-earlier levels was the longest since the 20-month streak from May 1974 through December 1975.

Shipments in January increased from the previous month for the first time in four months, rising a revised 1.0 percent after a 1.2 percent decline in December. The preliminary estimate had put the monthly shipment gain for January at 1.3 percent.

From a year earlier, however, January shipments dropped 6.5 percent for the 14th consecutive month of declines, the longest losing streak since a 21-month fall from March 1974 through November 1975. January inventories decreased 0.9 percent from the previous month, compared with a 1.0 percent fall shown in the preliminary data, after a 0.6 percent decline in December.

From a year before, inventories in January fell for the second consecutive month, by 2.2 percent, after posting a 0.9 percent drop in December.

LDP Briefs Media on Election Forecasts

OW1703151893 Tokyo KYODO in English 1425 GMT
17 Mar 93

[Text] Tokyo, March 17 KYODO—The ruling Liberal Democratic Party (LDP) on Wednesday briefed the Japan Newspaper Publishers and Editors Association on its draft plan to revise election laws which requests discretion in reporting forecasts of election results.

Masajuro Shiokawa and Hajime Ishii from the LDP's political reform promotion headquarters told association members that reporting forecasts of election results exerts a psychological influence on voters and its draft plan calls for discretion, party officials said. Association representatives, however, rebutted the argument saying the media has the freedom to report and the responsibility to provide the public with news.

The LDP's draft does not contain any penalties for reporting forecasts of election results.

AKAHATA Applies To Join Press Clubs

*OW1703072193 Tokyo KYODO in English 0703 GMT
17 Mar 93*

[Text] Tokyo, March 17, KYODO—The Japanese Communist Party [JCP] newspaper AKAHATA applied Wednesday to join the Press Clubs at the Foreign Ministry and the prime minister's official residence. The applications follow a decision by the Foreign Ministry Press Club to revise its membership criteria to allow a number of foreign news organizations to join.

Membership in press clubs, which number more than 1,000 across the country, allows media access to information, including important announcements, interviews, press conferences and background briefings.

The Foreign Ministry Press Club previously insisted all its members must be members of the Japan Newspaper Publishers and Editors Association, which does not admit political party publications to its ranks. But the club decided last autumn to extend membership to "those foreign newspapers, wire services and broadcasting organizations engaged in the same kind of reporting activities" as association members.

The JCP daily, which claims a circulation of three million for its most popular Sunday edition, said it too, judging by such criteria, should be qualified to join. AKAHATA noted that while its reporters in Japan face various restrictions, its correspondents in Washington can participate in press conferences at the White House and the National Press Club.

Spokesman: Amnesty Asylum Cases Not Typical

*OW1803091293 Tokyo KYODO in English 0851 GMT
18 Mar 93*

[Text] Tokyo, March 18 KYODO—An Amnesty International report criticizing Japan for allegedly shunning political refugees draws on special cases that are not representative of normal practices, top government spokesman Yohei Kono said Thursday.

Chief Cabinet Secretary Kono said the government does not plan to revise its asylum procedures. "The Justice Ministry feels that the particular people who presented their own evidence to Amnesty are special cases and are not appropriate examples," Kono told a news conference.

"The Justice Ministry is acting within the constraints of the law," he said, adding that the government does not plan to change procedures for recognizing refugee status.

The London-based international human rights group Amnesty International, in a report released Wednesday, said Japan does not offer sufficient protection to asylum seekers, and sometimes pressures them to return home

where they may face torture or detention. It urged the Japanese Government to revise its legal procedures.

Amnesty officials said the report was based on examples of actual cases compiled by a fact-finding team dispatched by Amnesty International.

Politician Comments on Racial Discrimination

*OW1803134293 Tokyo KYODO in English 1327 GMT
18 Mar 93*

[Text] Kobe, March 18 KYODO—A Liberal Democratic Party politician said Thursday shaking hands with blacks makes him feel his hands are getting dirty.

Masao Kokubo, a member of the Hyogo Prefectural Assembly, told the assembly's special budget committee, "I understand discrimination is wrong in practice but when shaking hands with black people I have the feeling my hands are getting black." Kokubo, 58, continued, "It is awful to see people such as Pakistanis or Indians gathering in a group. It presents no problem if they act according to the proverb 'When in Rome, do as the Romans do.' But they form their own ghettos and lead their own lives. They are outsiders," he said.

Kokubo made the remarks when putting questions to the committee about foreign workers staying in Japan illegally. He said it is necessary to have such people obey the norms of Japanese social behavior in order to protect society, as well as their own rights.

Kokubo told reporters after the meeting that his remarks might be inadequate in explaining the mentality of Japanese people who are not used to living with foreigners.

Kokubo has been elected to the assembly six times and has held the post of secretary general of the party's prefectural chapter.

Statistical Report on Working Hours Published

*OW1803142893 Tokyo KYODO in English 1343 GMT
18 Mar 93*

[Text] Tokyo, March 18 KYODO—The average Japanese does not necessarily work longer hours than his counterpart in the West as is often claimed, the Japan Productivity Center said in a report Thursday.

The Organization for Economic Cooperation and Development's statistics for 1990 also show that an average Japanese spent 2,078 hours a year at work in 1987, compared with 1,620 hours for Germans and 1,783 hours by Americans. Officials said U.S. and European statistics cover a great number of part-time workers who usually worked shorter hours than Japanese part-timers. For instance, the average West German part-timer worked about 40 percent less than his Japanese counterpart in 1990.

The officials said the rate of absenteeism in Europe and the United States is far higher than in Japan.

They said the number of part-time workers in Japan who put in short hours is likely to rise in future.

North Korea

5th Session of 9th People's Assembly To Convene 7 Apr

SK1703221693 *Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 17 Mar 93*

[Text] The decision of the DPRK Supreme People's Assembly [SPA] Standing Committee on convening the DPRK SPA:

The DPRK SPA Standing Committee decides that the Fifth Session of the Ninth DPRK SPA will be convened in Pyongyang on 7 April 1993.

DPRK SPA Standing Committee, 17 March 1993, Pyongyang.

Public Notice on SPA Convocation

SK1703222293 *Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 17 Mar 93*

[Text] A public notice on the convocation of the DPRK Supreme People's Assembly [SPA]:

The DPRK SPA Standing Committee informs the SPA deputies that the Fifth Session of the Ninth DPRK SPA will be convened in Pyongyang on 7 April 1993.

The registration of the deputies will be made at the Mansudae Assembly Hall on 5 and 6 April 1993.

The DPRK SPA Standing Committee, 17 March 1993, Pyongyang.

Further Reportage on NPT Withdrawal

No Site Inspection

OW1803101393 *Beijing XINHUA in English 2039 GMT 17 Mar 93*

[Text] Amman, March 17 (XINHUA)—The Democratic People's Republic of Korea (DPRK) would never allow international inspections of its military sites, DPRK ambassador in Jordan Kang Sok-yong said today.

Kang said his country is currently engaged in official contacts with Arab states to inform them of its position on recent disputes with the United States and the International Atomic Energy Agency (IAEA) over their demands to inspect its military sites.

The ambassador said that the DPRK would not allow inspections of its military facilities because it is in a state of war with the United States, just as Jordan would not open its military bases to Israel.

Kang's remarks came in response to U.S. President Bill Clinton's statement Tuesday [16 March] that the IAEA must be allowed to inspect DPRK's military installations,

and he hoped Pyongyang would reverse its decision to withdraw from the Nuclear Nonproliferation Treaty.

The DPRK decided last Friday to withdraw from the treaty in protest against U.S.-led efforts to force open its military sites and the ongoing U.S.-South Korean joint military exercises.

Kang said the DPRK government would reconsider its withdrawal from the treaty if Washington stops its military exercises with South Korea, which were viewed by Pyongyang as a declaration of war on the north.

Kang insisted that the DPRK's nuclear programs are meant for peaceful purposes.

If the U.S. obtains permission to check the DPRK's military facilities, it would demand similar inspections in any developing countries and thus lead to violation of their territorial sovereignty, he added.

'Source': Decision May Be Retracted

OW1803062793 *Tokyo KYODO in English 0614 GMT 18 Mar 93*

[Text] Beijing, March 18 KYODO—North Korea has hinted it may retract its decision to withdraw from the Nuclear Nonproliferation Treaty (NPT), a reliable diplomatic source here said Thursday [18 March]. Pyongyang dropped the hint during a counsellor-level contact with the United States in Beijing on Wednesday [17 March], the source said. During Wednesday's contact in the Chinese capital, the U.S. side expressed its concern about North Korea's decision to withdraw from the NPT, according to the source. North Korea reportedly suggested that if certain conditions were met, there was a possibility the withdrawal decision could be retracted, the source said.

It was not immediately known if North Korea had attached any conditions to retracting its announcement last week, but the source suggested the demands would likely be similar to those in the past. Pyongyang has insisted repeatedly in recent weeks that the U.S. halt the "Team Spirit" joint military exercises with South Korea and cease its "destructive operations" against Pyongyang through the International Atomic Energy Agency (IAEA).

The Team Spirit exercises, which Pyongyang charges are a preparation for war against North Korea, concluded Thursday [18 March] with U.S. troops scheduled to return home as planned. North Korea has also alleged that the IAEA's demands for inspections of its nuclear facilities are part of an American-planned attack on North Korean sovereignty. The North Korean side then reportedly proposed scheduling another meeting after the conclusion of the military exercises.

Both sides were persistent in their positions, but the atmosphere was not sharp, the source said. The source predicted that another meeting may be set up in the next

week or two. Officials at the North Korean Embassy in Beijing said they did not know anything about Wednesday's meeting.

DPRK Absent From UN Development Project Meeting

OW1803035893 Tokyo KYODO in English 1053 GMT 17 Mar 93

[Text] Beijing, March 17 KYODO—North Korea has given its "seminar state" as an excuse for being absent from a meeting of a United Nations Development Project in its coastal border area with China and Russia, U.N. Officials said Wednesday [17 March]. Pyongyang notified the U.N. Development Project (UNDP) representative in Beijing on Monday [15 March] of its absence from the UNDP's working-level sessions on industry, natural resources, and environment that opened the same day in Helsinki, the officials said.

North Korea gave notice to the UNDP's Beijing representative through the U.N. Headquarters in New York saying the country is on alert during U.S.-South Korean joint military exercises. It is the first time for North Korea to skip the UNDP sessions on the Tumen river basin project. Pyongyang has been the most ardent promoter of the development scheme. It is uncertain whether the absence of North Korea, which announced last Friday [12 March] its pullout from an international nuclear control pact, is a temporary measure or a shift in its fledgling open-door policy.

China and Russia are expected to take the reins in promoting the Tumen river project, analysts said. The UNDP meeting in Helsinki is scheduled to run through next Friday [26 March], bringing together delegates from China, Russia, South Korea, and Mongolia.

Working People in 'Full Combat Readiness'

SK1803112493 Pyongyang KCNA in English 1108 GMT 18 Mar 93

[Text] Pyongyang, March 18 (KCNA)—The Democratic People's Republic of Korea now is in a state of semi-war to cope with the new war provocation moves of the U.S. imperialists and the South Korean puppets.

All the working people keep themselves in full combat readiness.

Pasted up in streets and villages across the country including the capital city of Pyongyang are slogans and posters reflecting the strong will of the Korean people, such as "Let us fulfil the order of respected comrade supreme commander to the letter!", "Let the whole party, all the people and the entire army unite behind respected comrade supreme commander in one mind!", "Let all the people become guns and bombs to safeguard the party and the leader and the socialist motherland with their lives!", "Let us keep ourselves in full combat readiness to cope with the U.S. imperialists' moves for another war!" and "We vehemently denounce the 'Team

Spirit 93' joint military exercises of the U.S. imperialists and the South Korean puppet clique!"

The soldiers of the Korean People's Army (KPA) and the Korean People's Security Forces and members of the Worker-Peasant Red Guards and Young Red Guards have further perfected preparations to fight, closely watching the enemy's reckless war provocation moves, since they received the order of comrade supreme commander of the Korean People's Army.

Rallies were held one after another in the provincial seats, factories and enterprises, universities and colleges and cooperative farms to fulfil the order of the supreme commander. The participants evinced their firm resolve to defend the territory of the motherland with their lives.

All the people are working and living, filled with confidence, at the posts assigned to them with a hammer or a sickle in one hand and a rifle in the other.

All the newspapers including NODONG SINMUN, television network and radios are intensively reporting proud achievements made in the efforts to fulfil the order of comrade supreme commander and the firm determination of the soldiers and working people.

Broad segments of working people and youths have been volunteering to join or rejoin the KPA since the order of comrade supreme commander was issued.

The U.S. imperialists and the South Korean puppets must act with discretion.

None of the enemies can trample upon an inch of the land and a blade of grass of our country with impunity. They must know this clearly.

16-17 Mar Team Spirit Military Activity Reported

SK1803053893 Pyongyang KCNA in English 0441 GMT 18 Mar 93

[Text] Pyongyang, March 18 (KCNA)—The U.S. imperialist aggressors and the South Korean puppets staged large-scale joint aerial war exercises on March 16 and 17, according to military sources.

Participating in the manoeuvres, the climax of the aggressive "Team Spirit 93" joint military exercises, were nuclear strategic bombers, nuclear-capable fighter-bombers, pursuit planes, pursuit-assault planes, observation planes, electronic jamming planes and refueling tankers flown from continental U.S., Hawaii, Guam and Japan and carriers and fighters of the U.S. Air Force present in South Korea and the South Korean puppet airforce, more than 800 all told.

Groups of warships of the landing force command ship "Blue Ridge" and the extra-large carrier "Independence" participating in the "Team Spirit 93" war game against the North launched an operation in the East Sea of Korea on March 16.

The 25th Infantry Division and units under the First Army of the U.S. imperialist aggression forces and infantry divisions and a Panzer Brigade of the South Korean puppet army which crossed the South Han River on March 15 and went over to a total attack on March 16 conducted attack operations against the North with the support of thousands of tanks, armoured vehicles and flying corps, stirring an acute war atmosphere.

The U.S. imperialists and the South Korean puppets ran mad in ground attack operations against the North in the area adjacent to the Demilitarized Zone of the Military Demarcation Line.

CILRECO Meeting Participants Condemn Team Spirit

*SK1703153693 Pyongyang KCNA in English
1522 GMT 17 Mar 93*

[Text] Pyongyang, March 17 (KCNA)—Speeches were made at the extraordinary meeting of the Executive Committee of the International Liaison Committee for Reunification and Peace in Korea (Cilreco) held in Paris on March 14.

George Pattas, honorary chairman of the International Liaison Committee for Reunification and Peace in Korea (Cilreco) and president of the Greek Committee for Struggle Against Foreign Military Bases, said that the "Team Spirit 93" joint military exercises launched at a time when the agreement on reconciliation, nonaggression and cooperation and exchange between the North and the South of Korea and the Joint Declaration on Denuclearization of the Korean peninsula had been adopted and effectuated is a very dangerous and grave military provocation which can never be justified with anything.

He went on:

"The world progressive people who want peace and stability of Asia and the world should pay due attention to the U.S. moves of aggression and interference that have become all the more undisguised on the Korean peninsula after the cold war and lift up a louder voice of solidarity denouncing them.

In this sense we express full support to the proposal of the secretary general of Cilreco to launch an international signature campaign denouncing the new war provocation moves of the United States and the South Korean authorities and supporting the just steps taken by the DPRK, regarding it most timely.

We should deal a telling blow to the imperialists and reactionaries who are trying to stifle socialist Korea and give strength and courage to the Korean people struggling for their cause of justice by conducting the signature campaign substantially, drawing on the experience of our brisk international solidarity movement for the proposal for reunification through confederation and for one Korea in the past period.

Robert Parry, vice-chairman of the Cilreco and member of the House of Commons from the British Labour Party, said he was greatly ashamed of the unjust attitude taken by the British delegate at the February meeting of the board of governors of the International Atomic Energy Agency. He said he would expose through the British parliament the insidious political and military aims sought in the "special inspection" of DPRK and vigorously wage a solidarity movement supporting the just cause of the Korean people.

Blasco Hugo Fernandes, vice-chairman of the Cilreco and president of the democratic intervention of Portugal, said that the act of some officials of the IAEA secretariat trying to "internationalize" the so-called "nuclear problem" of the DPRK must be denounced by the international public, being an entirely unjustifiable act ignoring even the elementary standards and principles that must be observed by an international organization.

Joe Debono Grech, vice-chairman of the Cilreco and member of parliament from the Malta labour party, stressed that the United States and some officials of the secretariat of the IAEA should clearly realize that any unjust political and military pressure, threat and blackmail and "sanctions" can neither frighten the united Korean people nor bring them to their knees and immediately stop nuclear war moves and "special inspection" campaign.

Robert Charvin, vice-chairman of the Cilreco and secretary general of the International Committee of Jurists for Democracy and Human Rights in South Korea, stated that double standards must not be allowed in the application of international law and activities of the international organizations and such international organizations as IAEA which has assumed an important mission for world peace and security must not be used as a tool for the application of "right of interference" and "new international order" claimed by the imperialists.

Kim Il-song Greeted Fidel Castro on Reelection

*SK1803113693 Pyongyang KCNA in English
1114 GMT 18 Mar 93*

[Text] Pyongyang, March 18 (KCNA)—Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea and president of the Democratic People's Republic of Korea, sent a message of greetings on March 17 to Comrade Fidel Castro Ruz, first secretary of the Central Committee of the Communist Party of Cuba, upon his reelection as president of the Council of State of the Republic of Cuba.

The message said:

The elections of the deputies to the National Assembly of People's Power and delegates to the local People's Power Assemblies were held successfully in your country and you were reelected president of the Council of State of the Republic of Cuba. This clearly showed that the

Cuban people were filled with the unshakable determination to firmly defend the sovereignty and independence of the country and the dignity of the nation and advance along the road of socialism to the end under your leadership.

Availing myself of this opportunity, I sincerely wish you greater success in your responsible work to implement the decisions of the fourth congress of the Communist Party of Cuba and complete the socialist society and good health and happiness.

I am convinced that the traditional relations of friendship and cooperation between our two parties, two countries and two peoples established in the common struggle for independence against imperialism, for peace and socialism will further effloresce and develop on an overall scale in the future.

Japan Prefectural Group Publicizes 'Forcible Drafting'

*SK1803110793 Pyongyang KCNA in English
1011 GMT 18 Mar 93*

[Text] Pyongyang, March 18 (KCNA)—The Japan Aichi prefectural fact-finding group on forcible drafting of Koreans recently made public a "list of the names of persons insured of the Handa Health Insurance Company of the Nakashima Aircraft Factory," exposing Japan's forcible drafting of Koreans in the last years of the Pacific war.

The names, the dates of obtaining insurance qualification, positions, etc. of 22,800 persons including Japanese till August 1945 from 1942 when the factory was established are recorded in the 17 volumes of the list.

Its analysis found that 1,282 of them were Koreans and 1,235 were taken there directly from Korea.

Most of them had Japanese names, the age was the first half of twenties and 13 were considered women.

They were mainly engaged in manufacturing naval reconnaissance planes at the Nakashima Aircraft Factory.

Chondoist Chongu Party Supports DPRK Withdrawal

*SK1703052493 Pyongyang KCNA in English
0425 GMT 17 Mar 93*

[Text] Pyongyang, March 17 (KCNA)—The declaration of the government of the Democratic People's Republic of Korea on withdrawal from the Nuclear Nonproliferation Treaty [NPT] is an expression of the will of the Korean people to frustrate the crafty and shameless aggressive moves of the U.S. imperialists and honourably defend the security of the country, said the Central Committee of the Chondoist Chongu Party of Korea in a statement issued Tuesday.

The statement said:

"The United States should see the reality squarely, admit its brigandish criminal act and stop at once all blackmail and threat including clamour for 'special inspection.'

"The Japanese authorities should discontinue their foolish game to strike a bonanza by joining in the criminal plot of the U.S. imperialists for the purpose of concealing their nuclear armament and give up their foolish dream of the 'greater East Asia coprosperity sphere.' "The South Korean authorities should act with discretion, deeply mindful what was the doom of the flunkeyist traitors who followed outside forces in the past."

The statement stressed that patriotic people and Chondoists of South Korea should correctly distinguish between patriotism and treachery and daringly turn out in the struggle to smash the nuclear war moves of the U.S. imperialists and their stooges.

Discusses 'Urgent Situation'

*SK1803053393 Pyongyang KCNA in English
0431 GMT 18 Mar 93*

[Text] Pyongyang, March 18 (KCNA)—The 19th plenary meeting of the 6th Central Committee [C.C.] of the Chondoist Chongu Party took place here on March 17.

It discussed "on tasks of party organisations and members under the urgent situation of the country".

The chairman of the C.C., the Chondoist Chongu Party delivered a report on the agenda items, which was followed by speeches.

The reporter and speakers denounced the ongoing "Team Spirit" nuclear war game of the United States and the South Korean authorities and the adoption of a "resolution on special inspection" against the DPRK by some officials of the Secretariat of the International Atomic Energy Agency at the beck and call of the United States as a wanton infringement upon the sovereignty of the DPRK and a hostile act to stifle the Korean socialism.

They expressed full approval and support for the recent decision of the DPRK Government to withdraw from the Nuclear Nonproliferation Treaty to defend the national sovereignty and supreme interests of the country, saying that it is an active and positive self-defensive measure reflecting the unanimous will of the entire members of the Chongu Party and Chondoists.

With no threat and blackmail can the United States and other forces hostile to the DPRK break the will of the Korean people who have turned out to defend the Korean-style socialism, they said.

They mentioned specific tasks of organisations and members of the Chondoist Chongu Party to thoroughly cope with the situation created in the country.

The meeting adopted a relevant resolution.

Daily Stresses Unity in 'Prevailing Situation'

SK1703050793 Pyongyang Korean Central
Broadcasting Network in Korean 0027 GMT 16 Mar 93

[NODONG SINMUN 16 March editorial: "Let Us Resolutely Smash Imperialists' Maneuvers of Aggression in Single-Hearted Unity Between the Entire Party, All the People, and the Entire Army"]

[Text] Upholding the order of the respected and beloved comrade supreme commander, the whole nation is seething with the spirit to exterminate the enemy.

That the entire party, all the people, and the entire Army staunchly fight, more firmly united in one mind around the respected and beloved comrade supreme commander is a mighty way to take the lead in coping with the prevailing situation and to firmly defend and protect the socialist fatherland.

Comrade Kim Chong-il, respected and beloved supreme commander, noted in his order: Today, we have the heroic Korean people and the one-a-match-for-100 People's Army, who defeated a 1 million-strong Kanto Army of the Japanese imperialists in the cold wind and snow-fall in Mt. Paektu, and who smashed the allied army of 15 countries headed by the U.S. imperialists in the gunsmoke and rain of shells in the Fatherland Liberation War. We also have the strength of single-hearted unity among the leader, the party, and the masses and the invincible might of firm, blood unity between the Army and the people.

The single-hearted unity among the leader, the party, and the masses is the mightiest weapon with which to smash the imperialists' aggression maneuvers. Due to a new war provocation maneuver by the U.S. imperialists and the South Korean puppet clique, a severe situation, in which a war may take place at any point, has been created. This situation strongly demands that our single-hearted unity be further strengthened.

Single-hearted unity is the life of our socialism and the invincible might that does not allow the enemy to invade even a small area of the Republic's territory or to damage even one plant in it.

Because we have single-hearted unity around the great leader [yongdoja], we can valiently fight, braving the the imperialists' arms buildup and war commotion with firm courage.

It is our people's faith and will to firmly deter and crush the imperialists' aggression maneuvers with the single-hearted unity among the entire party, all the people, and the entire Army.

The more tense the situation becomes, the more efforts we should make to strengthen our single-hearted unity. What is most important in doing this is to harden our faith to completely trust and follow the respected and beloved comrade supreme commander and to share our destinies with him.

The respected and beloved comrade supreme commander is the spiritual pillar of our people and is the symbol of the victory of our socialism. Our single-hearted unity is based on the iron faith that we can smash any strong imperialist enemy's aggression without fear, as long as the comrade supreme commander, who has extraordinary intelligence, sagacious wisdom, and both literary and military accomplishments, is with us.

With his unparalleled bravery, the respected and beloved comrade supreme commander has recently issued a strict order and is leading us to cope with the imperialists' aggression maneuvers and to resolutely defend and protect our socialism. This fact reinforces all our people's absolute trust in the comrade supreme commander.

All party members and working people should harden their faith to achieve the ultimate victory by firmly trusting and following only the comrade supreme commander.

It is important for all party members and working people to deeply bear the same stout faith as Korean People's Army officers Pak Yong-chol and his seven brothers have. Their faith that they would be eight guns and eight bombs to thoroughly defend and protect the respected and beloved comrade supreme commander has become a fervent oath and will of all our people.

Now, when our fatherland faces severe danger, is the time for all the people, including the millions of Workers Party of Korea members and the 5 million League of Socialist Working Youth of Korea [LSWYK] members, to even more deeply bear the death-defying determination to be strongholds and shields that thoroughly defend and protect the party and the leader.

In annihilating the imperialists' aggression maneuver by strengthening the single-hearted unity, it is also important for the entire party, all the people, and the entire Army to think and act only according to the respected and beloved comrade supreme commander's ideology and intent.

The might of the single-hearted unity is the might of concurrence in people's ideology, will, and action. To thoroughly guarantee concurrence in ideology and action is a true way to smash the aggressors by realizing the respected and beloved comrade supreme commander's strategic plans and intent.

Now when we are in a semi-war state, what is important in guaranteeing concurrence in ideology and will is to think and act in accordance with the demand of the respected and beloved comrade supreme commander's order, and particularly to firmly arm ourselves with the chuche-based view of war.

The view of war we have to keep is the revolutionary position that, although we do not want a war, if the enemy attacks us, we will deal a deadly blow to the enemy by fighting to the last for the party and the leader and for socialism achieved at the cost of our blood, so that we can display the dignity of the heroic Korea.

Our party members and working people should assume a thorough combat mobilization posture as instructed in the order. They should fill the entire party, all the people, and the entire Army with the chuche-based view that they will defend every inch of the fatherland with their lives, shouting hurrah for the respected and beloved comrade supreme commander if the enemy attacks us.

The might of the single-hearted unity should be demonstrated by thoroughly and absolutely implementing the order of the respected and beloved comrade supreme commander. Our revolutionary fighters should live and struggle, bearing deep in their hearts the slogan of faith, "What the party decides, we will do."

We should prominently display the revolutionary spirit to absolutely and unconditionally implement to the end whatever the comrade supreme commander decides and orders, under any difficult situation even by going through water and fire.

Another important thing in annihilating the imperialists' aggression maneuver by using the might of the single-hearted unity is for each one to faithfully carry out his revolutionary duty assigned at his own revolutionary sentry post.

Being aware that firmly defending each one's sentry post is a responsible task in order to deter and crush the imperialists' war maneuver and to defend and protect the fatherland, all party members, working people, and the People's Army soldiers should thoroughly and unconditionally implement militant tasks presented in the order, in a timely manner.

All the People's Army officers and men should assume a thorough combat posture with the fighting spirit to exterminate the enemy and should defend the fatherland frontier, making it impregnable.

All the working people of the country should create unprecedented innovations and miracles in production and construction by prominently displaying the spirit of untiring patience to implement the order to effect a great upsurge in production.

It is also important to even more highly display the revolutionary comradeship and the traditional virtue of unity between the Army and the people. Our party members and working people are revolutionary fighters standing in a rank to implement the respected and beloved comrade supreme commander's intent and policy, no matter what they do and wherever they are—at the frontier or rear of the fatherland.

When all of us prominently display the virtue of helping and leading one another in the sacred voyage of upholding the respected and beloved comrade supreme commander, the might of our single-hearted unity will increase a hundred times.

Being deeply aware that the security of the fatherland and destinies of the people depend on the People's Army, all the people of the country should love the

People's Army soldiers like their own family members and should actively support and encourage them both materially and spiritually. And the Army should love the people and devotedly struggle for them.

The People's Army should, in particular, guarantee even better the unity between the officers and men and the unity between party members and the LSWYK members.

In order to strengthen the single-hearted unity, it is important to enhance the role of party organizations. Party organizations should properly carry out work with the masses in various classes and strata in accordance with the demand of current situation, should unite them more firmly around the party and the leader, and should have all of them perform unparalleled feats in the sacred struggle to annihilate the imperialists' aggression maneuver.

Coal Production Sharply Increases in 'Semi-War State'

*SK1703151793 Pyongyang KCNA in English
1507 GMT 17 Mar 93*

[Text] Pyongyang, March 17 (KCNA)—Production has sharply increased in the coal industry of Korea in the semi-war state.

Coal is the main fuel and raw material of the industry in Korea and the state has consistently directed big efforts to its production.

Outlining the main links on which efforts should be concentrated in economic construction, the great leader President Kim Il-song in his New Year address taught that it was particularly important to give definite priority to the coal industry.

In response to this, the state has taken steps to increase the investment in this field and preferentially ensure all conditions needed for coal production.

The coal producers topped the targets for January and February by far amid the state interest. In March they remain the pace-setter for the country in the production upswing.

The colliers of the fourth coal cutting workteam of the second pit of the Sinri coal mine of the Anju district coal mining complex and the Kim Myong-il tunnelling subworkteam of the Toksong coal mine of the Tokchon district coal mining complex resolved to overfulfil their yearly targets before the 40th anniversary of the victory in the Fatherland Liberation War (July 27).

The members of the Kim Myong-il tunnelling subworkteam are demobilized soldiers who had wedding ceremonies on the same day, receiving wedding tables and gifts of love sent by the dear leader Comrade Kim Chong-il.

They hit the January tunnelling target in seven days and fulfilled the plan for the first quarter of the year at the end of January and that for the first half year in mid-February to repay with loyalty the noble loving care of

Comrade Kim Chong-il. And they vowed to carry out the yearly assignments in mid-April, at 200 percent by the 40th anniversary of the day of victory in the war and at 300 percent by the end of the year. They are these days fulfilling their daily quotas at over 300 percent.

Their innovative results are calling forth joint innovations not only in the coal industry but also in all other sectors and units where the workers have turned out in a general march of socialist economic construction.

Annual Sowing of Seed Rice Begins

*SK1603232693 Pyongyang KCNA in English
1507 GMT 16 Mar 93*

[Text] Pyongyang, March 16 (KCNA)—Sowing of seed rice on cold beds has begun in the rural communities on the west coast of Korea.

The co-op farmers have made thorough-going preparations for sowing on cold beds from the beginning of the year, resolved to bring another bumper crop this year.

The agricultural working people who do farming on a scientific and technical basis as required by the chuche farming method started the sowing all at once when the season came.

The cooperative farms in Chaeryong, Sinchon and Anak Counties, South Hwanghae Province, overfulfilled their first-day sowing plan by using rice sowing machines, fertilizer sprayers and other highly efficient machines.

They have radically increased the results while working easily by introducing a cold-bed making machine which has raised work efficiency 20 times.

Cooperative farms in North and South Pyongan Provinces have chosen early-ripening and high-yielding strains of rice and are carrying on the sowing on a scientific basis.

The sowing of seed rice on cold beds which takes the country ten odd days is one of the major farming processes in Korea. This is because paddy rice holds the most important part in grain production.

DPRK Mass-Produces Ultrasonic Abdomen Apparatus

*SK1703153893 Pyongyang KCNA in English
1524 GMT 17 Mar 93*

[Text] Pyongyang, March 17 (KCNA)—An ultrasonic abdomen diagnosis apparatus has been developed and is mass-produced in Korea.

This electronic device helps scientifically diagnose and treat a patient while watching his condition on the display.

When a doctor calls on a case, he may carry only the main body of the device and link it to the family TV set.

The apparatus automatically makes a correct diagnosis of an internal disease of a pregnant woman as well as the state of growth, sex and size of the unborn child and the date of its birth.

The small and light apparatus has been developed by the scientists and technicians of the Myongjon joint venture company.

KCNA Reviews 18 Mar Pyongyang Press

*SK1803054693 Pyongyang KCNA in English
0458 GMT 18 Mar 93*

[Press review]

[Text] Pyongyang, March 18 (KCNA)—Papers here today carry a message of greetings sent by President Kim Il-song of the Democratic People's Republic of Korea to Abdou Diouf upon his reelection as president of the Republic of Senegal.

NODONG SINMUN reports that the great leader President Kim Il-song received a message from Nouhak Phoumsavan in reply to his message of greetings to the latter upon his reelection as president of the Lao People's Democratic Republic.

Printed in the daily are a solidarity message to President Kim Il-song from Narayanman Bijukche, chairman of the Nepal Workers and Peasants Party, denouncing the "special inspection" scheme of the United States and the South Korean authorities and a letter of thanks to him from Chairman Timo Rahdenmaki and Organisational Secretary Seppo Aaltonen of the For Peace and Socialism-the Communist Workers' Party of Finland, leaving Korea after a visit.

The press conveys news that the dear leader Comrade Kim Chong-il received gifts from different countries and congratulatory messages and letters from foreign high-ranking officials on the occasion of his birthday.

NODONG SINMUN informs the readers that Comrade Kim Chong-il sent thanks to Korean returnees from Japan and Japanese women in Korea who sincerely assisted the people's army and to the scientists and employees of the publishing and printing science research institute who had made great successes in scientific studies.

The daily carries a letter to Comrade Kim Chong-il from the participants in the extraordinary meeting of the Executive Committee of the International Liaison Committee for Reunification and Peace in Korea and news that Marshal Kim Chong-il, Supreme Commander of the Korean People's Army, received a loyal resolution from the students of Korea University in Tokyo.

Appearing in the daily is an article contributed by Dr. Pang Mun-kwon on the occasion of the 60th anniversary of the publication of President Kim Il-song's classical work "People's Revolutionary Government Is a True People's Power".

Under the titles "We Will Defend Our-style Socialism Gained at the Cost of Blood to the Last", "Full Readiness for Combat Mobilization To Annihilate the Aggressors at One Stroke!" "Let Us Turn Out as in the Days of the War and Sow the Seeds Well in Good Season" papers report that people continue to ardently apply for enlistment in and return to the People's Army, assistance to the People's Army is getting more brisk and a great upswing is being effected in production and construction in all parts of the country.

The press carries a decision of the Standing Committee of the Supreme People's Assembly [SPA] of the Democratic People's Republic of Korea on convening a SPA session and a notice on its convocation.

Papers come out with a statement of the Central Committee of the General Federation of Trade Unions of Korea supporting the statement of the DPRK Government on defending the sovereignty of the nation and the supreme interests of the country.

It is reported in the press that the U.S. imperialists and the South Korean puppets staged large-scale river-crossing and sea coast landing operations and the U.S. imperialists are scheming to leave in South Korea the combat equipment hurled into the "Team Spirit" joint military exercises.

Papers give an account of an extraordinary meeting of the Executive Committee of the International Liaison Committee for Reunification and Peace in Korea held in Paris, and carry a report made at the meeting and an appeal to the governments, political parties and parliaments of all countries of the world, international bodies, international democratic organisations and progressive personages, letters to the U.N. secretary general and the president of the U.N. Security Council, letters of protest to the president of the United States of America and the director-general of the International Atomic Energy Agency and a special statement which were adopted at the meeting and the signature paper.

The three general departments of the Chinese People's Liberation Army issued a joint circular to the whole army urging it to step up the tree planting and greening work and the Indonesian president called upon the people to strive for the development of the country, says the press.

* Comparison of North, South Unification Policies

932C0081A Seoul PUKHAN in Korean Feb 93
pp 178-193

[By Yi Son-pyo, of the Chungang University business administration master's course: "Prospects for Unification Based on a Comparison of North and South Korean Unification Policies"]

[Text] Persisting in their conflicting unification policies—the South's Korean national community plan and the North's democratic confederal republic of Koryo

plan—North and South Korea are each demanding that the Korean Peninsula be unified by its plan. This report examines and evaluates each plan to see which of the two is more reasonable and appropriate in promoting the growth and development of the "Korean nation."

The ROK's Korean National Community Plan

Unimaginably deep is the distrust and enmity created between the North and the South under the two different leaderships and systems that have continued for more than 40 years. This fact can easily be seen in the present state of the North-South dialogue.

Such being the realities, it precisely represents the desire of the Korean people and the direction we should take to courageously bring an end to the distrust and enmity, restore the impaired national homogeneity and, by doing so, establish a unified democratic state guaranteeing the 70 million people freedom, human rights, and happiness.

From this viewpoint, the ROK Government announced its "unification plan based on a Korean national community" on 11 September 1989, pursuant to policies that had been made clear both domestically and to the world through President No Tae-u's "special declaration for national existence, unification, and prosperity" dated 7 July 1988, his speech at the UN General Assembly session in October of the same year, and his address marking the 44th anniversary of Liberation in August 1989. It also broadly reflected the public opinion of the people in all walks of life.

The gist the Korean national community plan is to establish—via a transitional North-South coalition based on the three principles, namely, independence, peace, and democracy—a unified democratic republic guaranteeing its people freedom, human rights, and happiness. The ROK announcement also declared that the fatherland thus unified should be a country in which the people can enjoy a better life and a state that guarantees its people a lasting peace and security and at the same time maintains relationships of mutual assistance with all the countries of the world over and, by doing so, contributes to the world peace and the well-being of mankind.

Especially, the ROK plan made it clear that a sole national state should be established on the Korean Peninsula in the form of a democratic community. Thus, it made clear that the North Korea-proposed unification plan based on a confederation system in which the two states with different ideologies and systems are left intact is unacceptable.

Furthermore, it proposed a bicameral parliament for the unified state consisting of an upper house representing regions and a lower house representing residents, simultaneously dealing with the matters of regional balance and participation of all constituents in it.

Features, Problems of the ROK Plan

1. Features of the ROK Plan

(1) Proposal for "North-South Coalition"

The Korean national community plan proposes a "North-South coalition" of a transitional nature to manage unification affairs between the two parts until the unification is finally achieved.

North Korea denounces the proposal as "seeking a second split into two Koreas." However, considering cool-headedly realities in the North and the South, the "coalition" formula is believed to be the best thing for the transition to the unification. The reason: the more than 40 years of division has spawned heterogeneity between North and South Korea to very serious degrees in every aspect of life. The "coalition" system as a transitional authority at a time like this will undoubtedly strive to eliminate such heterogeneous elements and, at the same time, play an important role in accelerating the North-South unification.

(2) Realization of "State Unification" through "National Unification"

The national community plan for unification is literally aimed through and through at achieving "unification of the states" through "unification of the nation."

Thus, the ROK plan is based on a nationalist, "we-are-one-nation" perception. It also conforms to the current global trend, the one-nation-one-state current of the times. As such, it is a very reasonable plan, we can say.

(3) A Specific Future Image of the Unified State

The ROK plan makes clearly shows that the unified fatherland should take the form of a national community in which each and every constituent member is the master, and that of a national state guaranteeing freedom, human rights and happiness for all. In addition, concerning what form of a state should be established following the unification and how the parliament should be composed, it shows relatively specific plans of the ROK side.

(4) Broad Accommodation of North's Position, Demands

The national community plan shows a broad-ranging position accommodating North Korean demands. It even suggests that consultations and resolution of political and military issues are possible, instead of persisting in a priority settlement on the issue of interchange and cooperation. Thus, in the spirit of promoting reconciliation and cooperation, it gives sufficient consideration to what the North has been demanding, and to the situation it is in now.

2. Problems with the ROK Plan

(1) The plan fails to give sufficient consideration to problems confronting North Korea now.

While the national community plan, when viewed from realities in the ROK, may sound reasonable and appropriate, but the fact is that it is not necessarily reasonable and appropriate in comparison with realities in North Korea. In other words, North Korea is currently in a far more difficult situation than the South and, therefore, a unification formula seemingly reasonable to the ROK Government could sometimes only aggravate the rejection by the North. This is a fact that should be kept in mind.

(2) It can be said that the ROK plan carries not enough persuasion for those eagerly looking forward to unification, namely, the 10 million separated families and the public longing for it.

The reason: A general impression of the plan could very well be that it is a plan under which the process of unifying the Korean Peninsula can get going only when things develop as desired by the ROK Government, that otherwise problems could crop up and make progress difficult. In other words, the ROK plan is long on a monochromatic assessment of the North Korean plan but short on multilateral alternatives to embrace its policies.

(3) Evident in the ROK plan is an intent to portray it as a policy taking into account the German way of unification, in which West Germany absorbed East Germany.

However, in West Germany's case, it had, while patiently pursuing Ostpolitik for 20 years, proceeded with the presupposition that unifying East and West Germany in the near future would be impossible. But, at the same time, it recognized the existence of East Germany and promoted economic, cultural, and personal exchanges with it on a multilateral basis, focusing on "change through exchange" as its long-term policy goal. There is a widespread misunderstanding of West Germany's Ostpolitik in the ROK political and academic circles. The truth is that it was not West Germany's "unification policy" intended for "one Germany" but a "policy of reconciliation" aimed at improving realities in East Germany. Even before the dismantling of the border in 1989, there had been a great deal of economic and cultural exchanges, communications and personal visits between East and West Germany. It was possible because West Germany had abandoned unification as a short-term goal while it recognized the existence of East Germany as a state, and because it clearly explained this fact. When compared with it, the "Nordpolitik" currently pursued by the ROK Government is, in fact, a "North Korea policy designed for unifying" it to the South, not a policy drawn in the interest of coexistence and co-prosperity of the 70 million Korean nation. If the ROK Government truly means to follow the example set by West Germany in achieving peaceful unification, it should develop a better understanding of North Korea and come up with, first of all, supplementary measures leading to improvement in realities in North Korea.

The Democratic Confederal Republic of Koryo Plan

North Korea has since 1960's steadfastly held to its unification plan based on a confederation system. Unification by

this plan was first proposed by Kim Il-song in his speech on 14 August 1960 marking the 15th anniversary of Liberation, in which he called for "establishing a confederation system as a transitional measure leading to the complete unification of North and South Korea." The North Korean plan thus initiated was subsequently modified in part on several occasions. And on 10 October 1980, Kim Il-song presented to the Sixth WPK [Workers Party of Korea] Congress his "plan for founding a democratic confederal republic of Koryo"—no longer as a transitional measure but as the ultimate form of a unified state—and a related "10-point policy." North Korea has since adhered to it as its basic unification plan.

Features, Problems of the North Korean Plan

1. Features of the North Korean Plan

Main features of the democratic confederal republic of Koryo plan are as follows:

(1) It proposes that the North and the South, while respectively retaining their present ideology and system, achieve their unification on the three principles, "independence, peace, and great national solidarity."

(2) Under the plan, the North and the South will elect an equal number of deputies to compose a "supreme confederal national assembly." Overseas compatriots also will have their deputies in it. The assembly will organize a "confederal standing committee" to act in the capacity of confederal government. The "standing committee" will not only lead the regional autonomous governments in the North and the South but also control military, diplomatic and other affairs relating to the overall interests of the nation.

(3) When the confederal republic is established, the "10-point policy" will be implemented on a priority basis to increase interchange and cooperation between the respective sectors of the North and South and to create a combined national army, among other things.

An important feature of the North Korean plan is that it lists preconditions to be met before the confederal republic plan is put into effect, such as:

(1) that the ROK repeal its evil laws such as the Anti-communist Law and the National Security Law that restrict communist activities, and abolish all repressive government organizations like the Agency for National Security Planning;

(2) that it legalize all political parties and mass organizations (procommunist organizations) and guarantee all personages (procommunists) freedom of political activity;

(3) that the present ROK Government be replaced with a democratic one representing and defending the will and interests of the masses of people (meaning that the North does not recognize the present ROK Government);

(4) that the United States stop pursuing a splittist, two-Korea policy and withdraw its troops from South

Korea (indicating indirectly that the North finds it difficult to get things going as it wishes as long as the U.S. presence on the Korean Peninsula continues);

(5) and that the armistice agreement be replaced with a peace pact through dialogue between North Korea and the United States, with a view to easing tension and removing the threat of war in Korea (expressing North Korea's endeavor to show itself as the sole legitimate government on the Korean Peninsula).

So, the North Korean plan is unrealistic indeed. It pays no consideration at all to the distrust and frictions resulting from the 40-odd years of division. It only showed itself as nothing more than a piece of propaganda, internally and externally.

2. Problems with the North Korean Plan

(1) To establish a confederation in which the present systems of the North and the South are retained intact means that the freedom, democracy and capitalist system of the ROK based on private property ownership and market economy on one hand, and the socialist system and communist ideology (chuche ideology) of North Korea based on theories diametrically different from what the ROK system stands on on the other, coexist within the framework of confederation. As a matter of fact, this type of unification has nothing to contribute to the development of the fatherland.

The reason: Even if the North and the South form a confederation, the regional governments of the North and the South would inevitably be left to carry on their respective policies and systems, making it obviously impossible for the confederation to pursue any consolidated national-level goals and interests of a unified state.

(2) For the national sentiment and tradition of the Korean people, too, the confederation-based unification is by no means acceptable. The Korean people cherish their common language, traditional, homogeneous culture as well as their brilliant, 5,000-year-old history. They had lived in an independent state as one for some 1,300 years. It is absolutely nonsensical to attempt to forge a dubious form of state merely because of an ideological wall.

(3) With the confederal republic plan it persists in, we cannot but take issue with North Korea's strategic intent against the South.

The North is not simply proposing that the confederation plan be put into effect. It is insisting, with obstinacy, that the aforementioned preconditions be met even prior to its implementation.

In short, those preconditions mean that only after South Korea, the other party of dialogue and negotiation, has changed its systems and laws as it wishes will North Korea embark on negotiations on the confederation. This inevitably raises the suspicion that the North's intention is to attain its strategic goal, a revolution in South Korea.

Comparison, Evaluation of the Two Unification Policies

Thus, the views, policies, and approaches of North and South Korea on the unification issue form so pronounced a contrast that they virtually conflict with each other.

The basic differences over the concept, goal, and principle of unification, and over the keynote of policy and the form of a unified state, come from this gap: While the ROK views the unification as recovery of the homogeneous national community through reconciliation, coexistence and co-prosperity, North Korea takes an ideological view and see it as communization of the whole of the Korean Peninsula through a class revolution.

It goes without saying that as for the final selection from the North and South Korean unification policies, it should be determined by the judgement of all our 70 million compatriots on what unification policy is most in their interest.

In the chapter above, we took a brief look at the unification policies of North and South Korea, and we found that they appear to be conflicting with each other so much that no compromise seems possible. Nevertheless, the fact is that the nation's internal conditions for peaceful unification are ripening steadily, and that external environments for it are also developing favorably at an unexpectedly rapid pace.

Developments in the ROK

At a time when the world is shifting from confrontation to coexistence, from antagonism to reconciliation, North and South Korea are still left unable to end their outdated ideological confrontation. They still live in the grip of fear about war, a fact that clearly runs counter to the current of the times and is against what civilized human society stands for.

Since the start of the Sixth Republic, the ROK Government has been striving on various fronts to ease the tension on the Korean Peninsula, the last legacy of the Cold War, and establish a lasting peace, and to expedite unification. Through his 7 July [1988] special statement, President No Tae-u declared his intention to bring down the wall of distrust dividing the North and the South, promote the mutual opening, exchange and cooperation, and build confidence, and thus to recover and develop the national community of the Korean people. And on 17 September 1991, thanks to the patient Nordpolitik efforts of our government, North and South Korea joined the United Nations simultaneously. It was an event demonstrating the fact that the era of reconciliation, openness and cooperation that set in on a global scale in this latter part of the century could unfold on the Korean Peninsula, too, in earnest.

Moving with the wave of the times, North and South Korea should broaden the spheres of their opening, exchange, and cooperation based on mutual trust through the processes of creating peace structures, thereby developing a community-type foundation on which to achieve unification. To that

end, North and South Korea should prepare a national charter on unification by consulting and coordinating on specifics. They should resolve one by one problems relating to unification, including the matter of a transitional system. It is thought that this way they will be able to move on that much faster in the great historic march toward unification.

However, against its word that it has no interest in developing nuclear weapons nor the capability of doing so, North Korea has made, according to an IAEA [International Atomic Energy Agency] nuclear inspection, amazing developments in the nuclear field, amazing enough to raise the suspicion that it has completed its nuclear weapons development program, and is making vast investment in that field and showing great interests in it. The development of nuclear weapons by North Korea against the current of the times toward a world free of nuclear fears, initiated by the cooperation between the United States and the former Soviet Union, obstructs the peace and unification of the Korean people. And further, it threatens the security of Northeast Asia.

North Korea, which declared itself a peace-loving country by signing up in the Nuclear Nonproliferation Treaty and joining the United Nations, should discontinue its development of nuclear weapons and unconditionally submit to the North-South mutual inspection of all nuclear material and facilities. This is the only way to accelerate the peaceful unification of the Korean Peninsula.

The North Korean Situation

North Korea still adheres to the dogmatic, military-adventurist line dedicated to revolution in South Korea, and to its anachronistic closed-society policy and dictatorial leadership, a fact that bothers us. But it will find itself unable to oppose for long the global march toward freedom and human rights, democracy and welfare, coexistence and co-prosperity, as well as the trends of the opening and reform in socialist countries which have joined in the march. It will also find changing its policy line unavoidable as the interaction intensifies among a variety of factors including the influence of the former Soviet Union, China and East European nations pursuing programs of reform and openness, the growing demands of the North Korean people about their living conditions, and the limitations of the policies of closed-society and control, and the fallacy of the self-sufficiency and self-reliance lines as well as the North-South development gap unveiled by the inflow of outside culture.

It can be said that pressures from both within and without have pushed the North Korean leadership to its limits and that it now stands at the crossroads of policy change. Its sensitive reactions in the aftermath of the 4 June, 1990, ROK-Soviet summit and the 30 September ROK-Soviet normalization the same year, its moves for closer relationship with China, its 28 September 1990, effort to improve relations with Japan, its response to the call for resuming the North-South dialogue which it had suspended unilaterally—these things are indicative of

the fretfulness and throes on the part of the North Korean leadership at the current world developments.

Also, as a way to overcome the present economic crisis, the leadership is working to create special economic zones in the Tumen River estuary, Wonsan, Hamhung, and Nampo. And in this connection, it is making approaches to industrialized nations and the ROK in what appears to offer proof of a policy change under way.

International Developments

It goes without saying that North-South issues should be resolved independently by the Korean people themselves. However, in view of the historical backgrounds of the division of the Korean Peninsula and the geopolitical position of the peninsula in the Northeast Asia region, it is considered more reasonable and appropriate to weigh the peace and unification of the Korean Peninsula in the light of the relations with neighboring countries.

The collapse of the Cold War order and the global trend of reconciliation and cooperation in its wake led to the unification of East and West Germany and to Europe's quickened pace toward a union. In other words, in comparison with world politics extending its boundaries, Northeast Asia seems to be, in its realities, lagging a step behind the march of the world history. The ROK will strive to promote regional cooperation even more earnestly than other countries in the Northeast Asia region, and help broaden the spheres of regional stability, peace and prosperity in line with the global trend, with the belief that this pattern of regional cooperation will contribute to North Korea's opening and the peaceful unification of the Korean Peninsula.

Especially, it is in fact impossible to ensure the world peace or to expect the peaceful unification of the Korean Peninsula without the peace in Northeast Asia. Therefore, it is felt that there is a need to prevent a tragic situation caused by expansionism and an arms race that perhaps could be generated by a vacuum of power.

Considering these international factors, the ROK and the United States should carry on their cooperation even more closely for the preservation of peace on the Korean Peninsula and security in the Northeast Asia region and thus to contribute to the world peace. Meanwhile, there have been many developments brought on by the ROK efforts, namely, the fruition of its Nordpolitik ranging from the normalization with Hungary on 1 February 1989 to that with most of the East European nations including Poland, Yugoslavia, Czechoslovakia, Romania, and Bulgaria, to the 30 September, 1990, ROK-Soviet normalization, to the 1992 agreement with China on the opening of the trade office. Also, there have been the phenomena of all communist countries and nonaligned nations approaching to the ROK as a model case of growth for them. These developments will exert favorable influence on accelerating the peaceful unification of the Korean Peninsula.

Positive Factors, Negative Factors for Unification

1. Positive Factors

(1) Factor: the fact that unification is perceived as a cause deep-rooted in the 5,000-year history and cultural tradition of the Korean people and, therefore, as a task that should be carried out, and that there is a strong will for unification based on this perception and on the national community consciousness.

As the North and South Korea broaden personal and material exchanges, the North Korean people, despite the prolonged division and an ideological policy that serves to erode the national homogeneity, have come to realize that the potential is still there for recovery of the homogeneous national culture and for restoration of the national community. In other words, it has become clear that the 5,000-year-old Korean national culture cannot be erased with a political indoctrination of four decades to remold people into "communist-type new human beings."

(2) Factor: the fact that subjective and objective conditions and environments for the peaceful unification of the Korean Peninsula are, as referred to earlier, ripening.

In other words, the growing capabilities of the Korean people to take the initiative in the unification issue, the inevitability of change in North Korea's basic policy line and its opening to the outside world, and improvements in the international environment for unification—all these things are exerting favorable influence on the peaceful unification of the Korean Peninsula.

2. Negative Factors

(1) Factor: the inner vulnerability of the Korean people as a self-reliant force.

If the ROK leadership should fail to effectively resolve problems arising in the course of democratic development, such as conflicting demands from different strata and classes, unscrupulous unification debates, as well as the resultant differences in the public opinion, confusion in the thinking of the people, and discords between regions and classes, and if it should thus cause political, social chaos and paralysis, revealing vulnerability in the area of national security, North Korea would come forth to take advantage of it for its strategy dealing with unification front activists, captivating them with the temptation of a South Korean revolution or a second Vietnam.

(2) Factor: the fact that because of internal and external demands and pressures, North Korea is currently trying to revise its economic line through a partial opening and by attracting capital and technology from industrialized nations; that such opening and reform, however, has its limitations under the despotic Kim Il-song's leadership based on a personality cult and its father-to-son succession; that without change in its revolutionary line against the South, it would be impossible to expect any substantial opening and reform; and that even if the partial opening and reform were not directly for the revolutionary line against

the South, it would mean a buildup of a "revolutionary base" and "reinforcements for a South Korean revolution" to augment revolutionary forces, and therefore, ought to be considered a negative factor.

(3) Factor: the fact that in the international environment of the unification issue, the current policies of the four big powers concerned seek, in the name of "peace and stability," the maintenance of the status quo based on the balance of power, rather than the unification of the Korean Peninsula.

In other words, the unification of the Korean Peninsula, namely, the completion of a political community there, is not an easy task because the big powers would inevitably find their interests conflicting with one another depending on how the unified Korea's ideological system and foreign policy turn out to be. This means that the North-South unification involves the interaction among the three factors—the Korean people's capabilities to take the initiative in the unification issue, North Korea's move to modify its policy line, and the international situation—and that it is therefore impossible to expect the simple logic of strength to lead to unification.

Prospects for North-South Unification

Disturbing indeed is the fact that the outdated confrontation and distrust still continue on the Korean Peninsula despite the rapid, revolutionary changes occurring in the world order. This can be attributed to North Korea holding on to its closed, conservative and obstinate position. But today the opening and reform, reconciliation, and exchange and cooperation represent the world historic trends toward the development of human society; it is only natural that the North Korean line of closed society—the "let's live our way of life" line—will only undermine the existence of the North Korean leadership itself. Consequently, North Korea undoubtedly cannot forever stick to its closed, isolationist line as it does now but is bound to change. But when the change will come is extremely difficult to predict.

Currently, while demanding a priority settlement on political and military issues, North Korea is in fact deliberately delaying substantive discussions at the North-South high-level talks. It is even evading preliminary contacts for inter-parliament talks. Also, despite its "total opening, free visits" propaganda, North Korea drew a cloud of uncertainty over a second home-visit program for separated families, accusing the ROK of the demanded Yi In-mo recall to North Korea and the mutual nuclear inspection issue. While taking on one hand an attitude like this in the dialogue with the ROK Government, North Korea is on the other hand making eyes at groups and individual figures seemingly sympathetic with its lines such as Chonminnyon [the National Democratic Alliance of Korea] and Chondaehyop [the National Council of College Student Representatives], even offering talks with them. This not only shows that its revolutionary line against the South remains

unchanged but also is tantamount to an open provocation to the South to the effect that it will, through a peace offensive in the dialogue, stir up and support a South Korean revolution.

Therefore, the short-term prospects for the next one or two years are that substantive improvement in the North-South relationship for peace and unification or constructive dialogue is difficult to expect, even though dialogue may continue in several different areas. But the mid and long-term prospects, for years beginning in 1995 at earliest or in the latter half of the 1990's at latest, are that it will be possible to recover a political, social, cultural, and economic community upon the unification-oriented foundations of coexistence and coprosperity. Such prospects are supported by the following subjective and objective factors:

First, by the mid-1990's, the ROK will be an advanced democratic welfare state. Internationally, it will be in a leading position while maintaining friendly and cooperative relations with all other countries and contributing to their developments. By then, North Korea will no longer be a competitor or an opponent in confrontation, both in name and reality, but an object to embrace and rescue.

Second, North Korea will refuse to change the unitary ideology system and the dogmatic South Korea revolution line; it will be isolated not only from international communities but from socialist countries as well. Thus, it will come under internal and external pressures threatening the foundations of its system. Therefore, it is highly possible that North Korea will revise its basic policy line pragmatically in about 1993, when the Third Seven-Year Plan is to conclude, and carry out the opening, even in part.

Third, with regard to the environmental factor, too, it can be said that the mid and long-term prospects are affirmative. The global order and international developments will usher in an era of exchange and cooperation for coexistence and coprosperity, with all countries—including communist nations—pursuing openness, liberalization, democratization, diversification, pragmatism, and development as a welfare state. Consequently, one may say that beginning in the mid-1990's, as the ROK foreign policy for peaceful unification produces results, an environment decisively favorable for North-South normalization and for the laying of the foundations for peaceful unification will be created.

Conclusion

With the Cold War over, the world is rapidly shifting to a new era of reconciliation and peaceful coexistence free of ideological friction. Only on the Korean Peninsula, however, the ideological confrontation lingers on, at its worst shape and showing no signs of relenting.

How could an ideological difference be an issue at this juncture for the Korean people who are tied by blood?

If the unification is their true national—not political—desire, the 70 million people in the North and the South, who had to experience the Korean War, the most tragic and cruel internecine strife, should overcome the severe confrontation between the two major ideologies, democracy and socialism, with their national wisdom and resourcefulness. Although the division was created by the outside forces, the unification of the Korean Peninsula is the nation's internal task and, therefore, it should be achieved by the nation's own capabilities. In other words, it should be achieved on the premise of peace and stability, and through the processes of confidence-building, recovery of national homogeneity, and peaceful coexistence. It should be fully understood that a unification by a Bolshevik-type revolution as sought by North Korea is anachronistic and anti-people and should be rejected.

This is to say that, with a package-style unification like the proposed confederation plan that disregards a "transitional process of coalition," a little mistake could not only aggravate confusion and division within the nation but also trigger a civil or full war, creating a situation even worse than the present division. We should bear this in mind.

All the 70 million people of the Korean Peninsula are indeed longing for unification, but there are clear indications that they are not for a unification by war or by means not peaceful nor promising stability. In other words, the ultimate form of unification sought by the Korean people is "one nation, one state, and one system" that guarantees them freedom, human rights, and happiness. However, for expediting the unification under the present circumstances, it is believed that the most pressing task is to set the stage for "one nation, one state, and two systems" in which North and South Korea would recognize each other's system and liquidate elements of heterogeneity and tension between the two systems. It is believed that a hasty attempt at a unified state through a merger of the systems could, realistically, create more problems and eventually delay the unification.

It is believed to be most logical for us, the 70 million Korean people, that we let the two different systems coexist and, while they do, search on our own for the most desirable system conforming to our demands and interests through interchange and cooperation between the two systems. If the ROK, which is at advantage in every realm, assumes a posture of accommodating and conceding to North Korean demands as much as possible, regardless of whatever suspicion it might harbor of the North's true motive, unification could come much faster.

In conclusion, in achieving the unification of the Korean Peninsula, if the negative factors are all overcome, improved, or minimized through the wisdom and efforts of the 70 million people, and if the affirmative factors are maximized by North and South Korea setting example for and leading and embracing each other, the peaceful unification they aspire to is not only possible but can be expedited as well.

The unification of the Korean Peninsula attained at an early date amid the emerging new world order will,

needless to say, prove to be a major contribution to the peace and stability in the Northeast Asia region; further, it will create momentum for the region to participate more rapidly in the current global trend of reconciliation and cooperation. And it is firmly believed that the Korean Peninsula thus unified will play a fine role amid the world trend of cooperation.

South Korea

Further Reaction to DPRK NPT Withdrawal

IAEA May Take Case to UNSC 31 Mar

SK1803013093 Seoul YONHAP in English 0116 GMT
18 Mar 93

[Text] Vienna, March 17 (YONHAP)—The International Atomic Energy Agency (IAEA) decided Wednesday to wait six days past its deadline before taking the case of North Korea to the U.N. Security Council [UNSC]. In a rarely convened extraordinary session, the IAEA Board of Governors decided to wait until March 31, agency sources said after a preliminary gathering Wednesday. The board opens a formal session on Thursday.

The board issued a one-month deadline falling on March 25 for North Korea to accept IAEA special inspection on two undeclared sites believed to be critical in determining how much plutonium Pyongyang has in store. Board nations will confirm Thursday that the resolution setting the deadline is still in effect, the sources said. They will open another extraordinary session after March 31 if North Korea does not comply and decide then whether to report the case to the security council, the sources said. North Korea announced last week it was leaving the Nuclear Nonproliferation Treaty (NPT), which requires members to conclude a safeguards accord with the IAEA for inspections. Pyongyang's obligations with the NPT and the IAEA end three months later, in June.

Director-general Hans Blix told the preliminary gathering that North Korean Nuclear Industry Minister Choe Hak-gun sent a letter to the IAEA Tuesday saying Pyongyang would not accept an ad hoc inspection, let alone a special inspection. Blix also said North Korea had made no efforts yet to explain the discrepancies between its report to the IAEA and the agency's analysis. A board official said that the IAEA resolution demands special inspections and that the agency cannot but take the issue to the security council if Pyongyang does not answer the demand.

The 35-member Board of Governors is expected to issue a special statement at Thursday's meeting, in the name of its chairman, urging North Korea to accept special inspections before the deadline. The statement will say IAEA actions on North Korea have been fair and necessary, apparently a reaction to Pyongyang's

claim that the agency is a puppet of select nations like the United States. It will call on its own secretariat to do its best in getting North Korea to comply with IAEA demands, sources said.

DPRK 'Diplomat': Talks May Resume

*SK1803021493 Seoul YONHAP in English 0158 GMT
18 Mar 93*

[Text] Tokyo, March 18 (YONHAP)—A North Korean diplomat suggested Wednesday that his hard-line communist country might resume talks with South Korea, the United States and Japan to improve relations after a joint Korea-U.S. military drill in the South is completed, a Japanese daily reported.

Pyongyang's decision to leave the Nuclear Nonproliferation Treaty (NPT) was a "different problem" than talks on improving relations and it would not change until Washington and the International Atomic Energy Agency (IAEA) changed their attitudes, the MAINICHI SHIMBUN quoted Ho Chong, deputy head of the North Korean Mission to the United Nations, as saying.

Ho called for the U.S. nuclear threat and the South Korea-U.S. joint exercise "Team Spirit" to be terminated as conditions for the North to reverse its decision on NPT withdrawal, the MAINICHI said. He also called for Washington to open its nuclear weapons bases in South Korea and for the IAEA to be impartial. "It is totally dependent on whether or not the United States and the IAEA accept our demands," the diplomat said in reply to a question about the possibility of the North resuming negotiations on nuclear inspections after the drill ends. "We made the decision of withdrawing from the NPT because our sovereignty and right to independence was threatened," Ho said.

He said the IAEA had called for special inspections on North Korea's military installations with data provided by Washington, and accused the IAEA of working as a mouthpiece for the United States. The lingering U.S. nuclear threat against the North despite the claimed withdrawal of tactical nuclear weapons from the South was another reason, Ho said. "The United States hasn't believed the promise of President Kim Il-song that North Korea is not making nuclear weapons," he said. "But it is heightening threats against us by mobilizing B-1B and F117A stealth bombers during Team Spirit. "Issues such as improvement of relations between Japan and North Korea and the United States and North Korea are bilateral and have nothing to do with the NPT," Ho argued, implying that Pyongyang might sit down at the table again after the drill ends on Thursday.

PRC Expresses 'Concern'

*SK1803025693 Seoul YONHAP in English 0245 GMT
18 Mar 93*

[Text] Seoul, March 18 (YONHAP)—China, taking its clearest stand yet on North Korea's withdrawal from the Nuclear Nonproliferation Treaty (NPT), has registered

concern over Pyongyang's rejection of nuclear inspections, South Korean Foreign Ministry officials said Thursday. China expressed concern at North Korea's refusal of inspections by the International Atomic Energy Agency (IAEA) at a preliminary session of the IAEA Board of Governors in Vienna on Wednesday, the officials said. It said that it hoped that the situation would not develop into a crisis, they said.

The 35-member board held a preliminary contact before a formal, open-door session Thursday that is unlikely to deal with North Korea's withdrawal from the NPT since it is not within the IAEA's jurisdiction. It is more likely to confirm support for the IAEA's Feb. 25 resolution demanding to see two North Korean nuclear sites and setting a March 25 deadline. Officials here said they hope to see the results of Thursday's session in another resolution issued by the IAEA rather than in a statement by the board's chairman. Meanwhile, Assistant Foreign Minister Sin Ki-pok is to call on foreign envoys stationed in Seoul on Thursday to ask their individual cooperation in getting North Korea to come back to the NPT and accept IAEA inspections.

DPRK Absent From UN Conference on Tumen River

*SK1803032493 Seoul YONHAP in English 0256 GMT
18 Mar 93*

[Text] Seoul, March 18 (YONHAP)—North Korea did not send a delegation to a United Nations conference on the Tumen River in Helsinki that opened Tuesday, a South Korean Foreign Ministry source said Thursday. Pyongyang was absent from the Tumen River area development program resource, industry and environment working meeting, he said, speaking on condition of anonymity.

North Korea, which has declared a state of "semi-war" and stopped issuing visas, was taking a keen interest in the Tumen River development project, sponsored by the United Nations Development Program (UNDP), as it was expected to help the communist country develop its devastated economy. "All the parties to the program—South and North Korea, China, Russia and Mongolia—were invited to the conference," the source said.

North Korea didn't send any official from Pyongyang or its embassy in Helsinki, according to the South Korean Embassy there, he said. The meeting was to intensively discuss possible environmental damage if the program goes into full swing. It ends Friday.

Meanwhile, Japan's KYODO news service, in a dispatch from Beijing Wednesday, quoted a source at the UNDP representative office in Beijing as saying that North Korea had notified the UNDP it would not attend the meeting through the U.N. headquarters on Tuesday. "North Korea informed us that it couldn't participate in the meeting because the country was in a state of semi-war due to the South Korea-U.S. military exercise Team Spirit," the unidentified source was quoted as saying.

Since the North Korean Embassy in Beijing had said it would push ahead with the program clear of political issues, KYODO analyzed that Pyongyang's decision to pull out of the Nuclear Nonproliferation Treaty (NPT) and not to attend the Helsinki meeting might dampen the willingness of western countries to participate in the program. In addition, the move might give Russia and China, both of which share the river with North Korea, a reason to press ahead without Pyongyang, KYODO added.

Yi In-mo To Be Repatriated Via Panmunjom 19 Mar

SK1803103593 Seoul YONHAP in English 1027 GMT 18 Mar 93

[Text] Seoul, March 18 (YONHAP)—Yi In-mo, a self-styled North Korean war correspondent captured as a guerrilla fighter in the South during the Korean war, is set to be sent to his family in the North through Panmunjom at 11 a.m. Friday. Yi is to be helicoptered from a Pusan hospital to Panmunjom, where he will be medically examined briefly by North Korean physicians at the conference room of the Neutral Nations Supervisory Commission before meeting his wife and a daughter at Panmunjom for the first time in 42 years and seven months.

The 76-year-old ailing man had been in prison for 34 years until 1988 mostly for refusing to give up his faith in communism. Prior to his arrival at Panmunjom, South Korean doctors and liaison officials will go through procedural matters related to his repatriation, handing his clinical records and explaining about his conditions to North Korean officials. To his journey to Panmunjom, Yi will be accompanied by Kim sang-won, 51, and his wife who have personally looked after Yi who has no relatives in the South, and a couple of his physicians.

To Take Helicopter to Panmunjom

SK1803121793 Seoul YONHAP in English 1123 GMT 18 Mar 93

[Text] Pusan, March 18 (YONHAP)—Yi In-mo, a North Korean guerrilla fighter caught in the South during the Korean War who is set to be returned to the North on Friday, was spending his final night in the South at the Pusan University Hospital. The police posted plainclothesmen at the gate and in front of elevators of the hospital to ensure Yi's personal safety on the eve of his repatriation, but did not keep people from visiting him.

It was learned that Yi would leave the hospital at 6 a.m. Friday and board a military ambulance helicopter at the Suyong airport for flight to Panmunjom where he will be turned over to the North. As the weather turned cloudy with scattered showers in Pusan Thursday [18 March], officials from the National Unification Board reserved Seoul-bound airplane seats to prepare against possible inclement weather.

Yi is set to take with him gifts from individuals and some dissident organizations. They will be packed into a luggage bag measuring 60cm long, 40cm wide and 20cm high. Officials from the Unification Board and the

Agency for National Security Planning helped him list and pack the items. The gifts included pieces of paintings, calligraphy, gold rings, wrist watches, silver spoons and chopsticks, a set of cosmetics and handkerchieves. In return, Yi prepared 70 ball-point pens with the inscription "Let's meet again in a unified homeland" for distribution to those who helped him.

Trading Companies Buy DPRK Materials Before Embargo

SK1803080493 Seoul YONHAP in English 0632 GMT 18 Mar 93

[Text] Seoul, March 18 (YONHAP)—South Korea's general trading companies are racing to buy materials from North Korea before an international trade embargo is slapped on the communist country for refusing nuclear inspections. Samsung, Daewoo, Lucky-Goldstar and other companies that have bought such items as zinc ingots from the North are hurrying to take delivery of orders in case the United Nations imposes a trade embargo, industry sources said Thursday.

Purchases of materials from North Korea have been slow since the latter half of last year, but the companies are speeding up shipment of a few items already ordered or pursuing contracts in advance of their schedules with North Korean businessmen and with intermediaries in Hong Kong or North Korea. Items such as zinc ingots are internationally competitive and usually brought in by foreign-registered ships. Samsung, for instance, is looking for another shipping company to bring in materials ordered from North Korea at an early date after cancelling a contract with Oram Shipping Co., which had expressed difficulty in meeting the deadline set by Samsung.

U.S. Team Spirit Troops To Depart

SK1803022793 Seoul YONHAP in English 0203 GMT 18 Mar 93

[Text] Seoul, March 18 (YONHAP)—All of the U.S. troops and equipment brought into South Korea for the Korea-U.S. joint military exercise "Team Spirit" will be taken out, a senior Defense Ministry official said Thursday. "Since North Korea announced its withdrawal from the Nuclear Nonproliferation Treaty (NPT) and declared a state of semi-war, we considered discreetly holding some U.S. troops and equipment back after Team Spirit ends Thursday. But we finally decided to remove all of them as planned."

The decision to continue as planned was made because North Korea has not made any aggressive military moves since declaring it will leave the NPT and because the tension in the Korean peninsula is unlikely to increase. The withdrawal of the soldiers and equipment brought in from Okinawa, Hawaii and the continental United States is to be completed by the middle of April. The U.S. Forces Command and Defense Ministry are to officially announce the end of Team Spirit and the removal of soldiers and equipment on Friday.

USS Independence Anchors in Pusan

SK1803031093 Seoul YONHAP in English 0142 GMT
18 Mar 93

[Text] Pusan, March 18 (YONHAP)—The 80,643-ton aircraft carrier USS Independence, commanded by Capt. C.B. Refo, dropped anchor in Pusan harbor on Thursday morning to allow its sailors shore leave. The Independence is accompanied by two other ships from the Seventh Fleet that have been taking part in the annual South Korea-U.S. military maneuvers "Team Spirit," which end Thursday.

Capable of cruising at a maximum of 33 knots, the carrier is 326.4 meters long and 76 meters wide. The main deck measures 16,591 square meters for her 82 aircraft, including F-18 Hornet fighters. It is armed with Sea Parrot ship-to-air and Harpoon ship-to-ship missiles. Capt. Refo commands 5,119 people: 2,900 sailors, including 154 officers, and 2,279 airmen, including 329 officers.

Based in Yokosuka, Japan, the Independence was commissioned in 1990, replacing the 64,000-ton USS Midway. She participated in the Team Spirit exercise in the waters off the eastern coast of the country. The exercise started on March 1.

The two other ships are the cruiser USS Bunker Hill and the transport ship USS White Plains. The Cruiser can sail at a maximum of 30 knots, measures 172.8 meters in length and 16.8 meters in beam and is manned by 358 sailors. It has a displacement of 9,466 tons. Cruising at a maximum of 20 knots and displacing 18,663 tons, the White Plains has a crew of 428. It is 177.1 meters long, and 24.1 meters wide. The three U.S. Navy ships will depart Pusan on Monday.

'Comfort Women' Compensation Plan Under Development

SK1503011093 Seoul YONHAP in English 0011 GMT
15 Mar 93

[Text] Seoul, March 15 (YONHAP)—The government has decided to work out a program to support Korean "comfort girls," women sexually abused by Japanese soldiers during World War II. President Kim Yong-sam said last week that South Korea would not seek monetary compensation for the surviving comfort women from Japan. Instead, he directed the cabinet to pay compensation to them out of the state budget from next year.

As a result, officials from the Economic Planning Board, and the Foreign, Home Affairs and Health and Social Affairs ministries held their first meeting to discuss details of the program on Monday. As for deceased comfort women, the government will study the possibility of paying a solatium to their families. "Looking after the comfort women is the responsibility of our government," said one Foreign Ministry official. "The government is studying a way of paying a lump sum to each surviving comfort woman or of making monthly payments." The government has decided, however, to

exclude women recruited by the Japanese authorities for forced labor from compensation.

French, Japanese Firms To Vie for Submarine Cable Contract

SK1803015293 Seoul THE KOREA HERALD
in English 18 Mar 93 p 3

[By staff correspondent Choe Sang-hun]

[Text] Alcatel of France and a Japanese consortium will compete for a \$98 million contract for the construction of a submarine cable system linking three Far Eastern countries, a Korea Telecom official said yesterday. The participants in the project are expected to announce the winner of the contract at a meeting in Russia scheduled for June 15, the official said.

"The selection will be made in an open, competitive bidding," he said while refusing to elaborate on the selection criteria. "The winner will be picked on its own merits." He added that Alcatel and the Japanese consortium comprising KDD-SCS-C, NEC and Fujitsu are the only firms that have tendered for the construction of the seabed cable system.

The proposed optical fiber cable network, named R-J-K submarine cable system after the initials of Russia, Japan and Korea, is scheduled to go under construction in June this year. The 1,700-km undersea cable, when completed, will link Pusan in South Korea, Nakhodka in Japan and Naoetsu in Russia. The cable is scheduled to be dedicated by early 1995. The proposed optical fiber cable system can accommodate up to 15,000 telephone calls at the same time. "The proposed cable system will play a vital role in regional communications by linking existing networks such as H-J-K (Hong Kong, Japan and Korea) with the proposed trans-Siberian network," said assistant manager Yi Hon-cho of Korea Telecom's submarine division.

Korea Telecom officials also hoped that the new underwater cable would help South Korean companies operating in Russia and China by providing speedy and high-quality communications services. The R-J-K project has been jointly pushed by Korea Telecom, KDD of Japan and Intertelecom of Russia since they agreed on the need for such a cable network in July last year. Intertelecom joins the project in a consortium with Great Northern and Telecom Denmark of Denmark.

The three "initial parties" in the project have invited representatives of 17 telecommunications firms in 10 countries to a conference in Seoul to tap their intentions to join the project. The meeting continues until March 19. Participants at the Seoul meeting include officials from Korea's Dacom; AT&T, MCI and U.S. Sprint of the United States; and KDD, IDC and ITJ of Japan. Hong Kong, the Philippines, Thailand, Taiwan and Australia also sent representatives.

ROK, PRC To Draft Memorandum on Visa Issuance*SK1503023693 Seoul YONHAP in English 0147 GMT 15 Mar 93*

[Text] Seoul, March 15 (YONHAP)—South Korea and China have agreed to exchange a memorandum of understanding on visa issuance and are discussing details to draw up a draft, a Foreign Ministry source said Monday. The memorandum is intended to facilitate economic exchanges between the countries, said the source, speaking on condition of anonymity. It prescribes three-year, multiple-entry visas for diplomats and government officials who frequent each country and two-year, multiple-entry visas for newsmen, corporate employees and aviation workers who either frequent or reside in each country for a long time.

At the same time, the two countries are going to stipulate the period needed to issue visas in an effort to avert an arbitrary postponement of visa issuance. Currently, China is issuing two-year visas for Korean diplomats while providing company employees with one-year visas, resulting in a variety of inconveniences.

Last Group of Sakhalin Koreans To Return Home*SK1303061093 Seoul YONHAP in English 0505 GMT 13 Mar 93*

[Text] Seoul, March 13 (YONHAP)—Forty-two aged Koreans abandoned on the Island of Sakhalin by Japan after its defeat in World War II will return to their homeland permanently on March 20, ending the repatriation of first-generation Koreans from the island, the Foreign Ministry said Saturday. They will be flown to their new home on a jetliner chartered by the Korean National Red Cross and housed in a retirement community run by a church.

Some 50,000 Koreans were taken away from their homes by the Japanese for forced labor during the war, when Korea was a colony of Japan. Officials say there are about 8,000 survivors from these people, and 120 of them have no living relatives in South Korea to sponsor their return and provide them with somewhere to live.

Seoul demands that Tokyo compensate all the victims of its forced labor, reinstate their Korean citizenship, and arrange to repatriate all of the survivors and their relatives who request it. The first group of 76 Sakhalin Koreans returned in September last year.

Foreign Ministry Posts Alert on New Zealand Mussels*SK1803095493 Seoul YONHAP in English 0842 GMT 18 Mar 93*

[Text] Seoul, March 18 (YONHAP)—An alert for tainted mussels from New Zealand was issued Thursday because of deaths there last year linked to Listeria Poisoning. The Foreign Ministry posted the alert after

the Korean Embassy in New Zealand reported a still-birth by a woman who ate infected mussels in November, officials said. Listeria was found in products from Kiwi Mussels Co., including those for export.

New Zealand says mussels processed and exported in January may contain the poison and has notified all buyer countries. Korea imported 10 tons of raw and frozen mussels from New Zealand last year for consumption at restaurants.

New Zealand is investigating whether mussels from other companies are also tainted, but it will take time to complete the lab analysis. The Foreign Ministry notified other government agencies and the Health and Social Affairs ministry was expected to order all New Zealand mussels removed from sale, the officials said.

Direct Telephone Circuit Links ROK, Luxembourg*SK1803015593 Seoul THE KOREA TIMES in English 18 Mar 93 p 3*

[Text] Korea Telecom establishes direct telephone circuits with Luxembourg today for improved transmission quality, bringing the number of countries directly connected to 68. Telephone connections between the two points have been experiencing difficulties due to the lack of satellite receiving earth stations in the Indian Ocean region, Telecom officials said.

The direct link with Luxembourg, consisting of three circuits, is being made possible through technical cooperation with PTT Telecom of the Netherlands and PhonGen of Luxembourg. Those wishing to directly access Luxembourg must dial the international code of 001, followed by the country code of 352, the district code and the subscribers number.

Rates for calling Luxembourg are 1,860 won for the first minute and 1,400 for every subsequent minute during regular hours. A 30-percent discount applies on Sundays and public holidays and between 9 p.m. and 8 a.m. the following day.

ROK Embassy Warns Against Travel in Turkey*SK1803031593 Seoul YONHAP in English 0043 GMT 18 Mar 93*

[Text] Seoul, March 18 (YONHAP)—South Korean tourists are being advised not to visit Turkey because of intensifying terrorism, the Korea Tourism Association (KTA) said Thursday. The Korean Embassy in Ankara had issued a travel advisory to all travel agents in Korea, warning them of the danger, KTA said. The security situation in eastern and southeastern Turkey has worsened since the Kurdistan terrorist group PKK [Workers Party of Kurdistan] recently stepped up anti-government terrorist attacks prior to the Kurdistan new year's day on March 21, according to the advisory.

Kim Yong-sam Cancels Visit to Kwangju Victims' Graves

*SK1803030693 Seoul YONHAP in English 0237 GMT
18 Mar 93*

[Text] Kwangju, March 18 (YONHAP)—President Kim Yong-sam was forced to cancel plans to visit graves of the victims of the 1980 Kwangju civil uprising Thursday when student activists, armed with steel pipes and rocks, occupied the graveyard. Kim, who arrived at Kwangju airport Thursday morning on his first provincial inspection tour, had been scheduled to go straight to the cemetery in Mangwol-tong, on the outskirts of the city, to pay his respects to the victims who died in the May 18, 1980, uprising.

But more than 400 university students belonging to Namchongnyon, or the Southern Alliance of Student Representatives, occupied the graveyard early Thursday morning and were demonstrating against Kim's visit. The students said they decided to bar the president from visiting the graves since his administration had failed to accept their 15-point demand. Their demands, drawn up Feb. 23, included the appointment of a special prosecutor to reinvestigate the bloody military crackdown, annulment of military court rulings and the designation of May 18 as a memorial day to honor the victims. Earlier, representatives of dissident groups and relatives of victims of the uprising said that they were willing to meet with the president and did not oppose his visit to the graves.

Instead of visiting the graves, President Kim went to City Hall where he received a report from Mayor Kang Yong-ki. A proposed meeting with representatives of bereaved families and other organizations involved in the uprising, lawmakers, and local political and civic leaders was also cancelled after some of the organizations refused to meet with Kim. Kim had hoped to discuss ways, among other things, to overcome regional animosity. The president is to receive report from South Cholla Governor Yi Kyun-pom later Thursday.

Daily: Kim Not Fulfilling Campaign Promises

*SK1803064993 Seoul THE KOREA TIMES in English
18 Mar 93 p 8*

[By staff correspondent Kim Chang-yong]

[Text] President Kim Yong-sam is betraying key election campaign pledges in the face of rigid barriers less than one month after he took office. "The new administration's reform bids are already fading out one after another from the economic scene for the urgent cause of business recovery or a lack of funds and they are lingering only in anti-corruption campaigns in officialdom," one analyst said.

The government party and the Ministry of Agriculture, Forestry and Fisheries yesterday agreed to grant up to 1 million won to purchasers of farm machines. The agreement contradicts Kim's campaign promise to offer them

no more than half prices, a promise which highlighted lengthy "new agricultural policies" and excited perhaps a large part of the 6.4 million rural population. There are few machines priced below 2 million won apiece.

Minister Ho Sin-haeng, explaining the stringent budget, said, "It is actually impossible to increase the subsidy to 50 percent of farm machine prices. Please recognize our efforts to translate his idea into action, albeit partially and somewhat unsatisfactorily." "He could not but put forward the promise while a rich rival was making a robust showing with a vow to slash newly-built apartment prices by half," confessed Ho, indirectly involved in charting out the sweet promise as director of the state-run Korea Rural Economic Institute. The decision came amid top economic decision-makers strongly hinting at the indefinite delay of mandatory uses of real names in all financial transactions, which have widely been regarded as the core economic and social reform strategy.

Deputy Prime Minister-Economic Planning Minister Yi Kyong-sik Monday denied two-week-old news reports that he would present a timetable for the introduction of the much-touted system by May. Earlier this month when economic ministers, all fresh from semi-government agencies, academia and business quarters, sat together to spell out reform measures with full vigor, Yi's top deputy told reporters that they were discussing the system to fix its schedule. With a large number of people displeased with government favoritism for a handful of chaebols and growing underground economy, and presidential candidates, whether conservative or progressive, vowed to require real names in bank deposits, stock trading and other transactions to root out unearned income. And Kim Yong-sam was one of them.

A government transition team for Kim, vociferously hammering out a series of reform ideas, announced that the system would be adopted as early as this year and Kim backed their position, saying that reform could not take place if it was not done in his first year in office. Bitter repercussion came from wealthy businessmen and big stock investors. The Seoul bourse turned bearish once Kim and his economic ministers reaffirmed the stand. Choe Chong-hyon, new chairman of the Federation of Korean Industries, publicly opposed the system.

The lineup of economic Cabinet members, all moderates and realists, has already heralded a departure from Kim's idealist dreams, analysts said. Under Senior Presidential Economic Secretary Pak Chae-yun's initiatives, the economic ministers have recently shifted priority to prompt a business perk-up, instead of gradual development amid economic stability. The dismissal of Bank of Korea Governor Cho Sun, a monetarist who served as deputy prime minister-economic planning minister in the No Tae-u administration, was a firm turnaround from the stability-first policy to the more pragmatic line, analysts added.

Minister-Level Officials Reveal Financial Assets

SK1803064793 Seoul YONHAP in English 0603 GMT
18 Mar 93

[Text] Seoul, March 18 (YONHAP)—Twenty-nine minister-level officials and 11 senior presidential secretaries unveiled their assets Thursday, following in the footsteps of President Kim Yong-sam. Yi Kyong-sik, deputy prime minister and economic planning minister, listed assets of 498.35 million won (629,000 U.S. dollars) for himself and 438.28 million won for his wife and children. Yi owns a 49-pyong (161.7-square-meter) duplex apartment officially appraised at 391.68 million won, 19,220 shares in Taeshin Machinery Co. and savings of 106.67 million won. His wife has 55.08 million won and the children have 383.2 million won.

Han Wan-sang, deputy prime minister and national unification minister, revealed 572.5 million won of personal assets, including a 54-pyong (178.2-square-meter) apartment valued at 489.5 million won, and 83 million won of securities. His wife is worth 333 million won.

Kim Tok, director of the Agency for National Security Planning, gave his assets as being 826.75 million won, including a 165-square-meter apartment (430 million won) and 276.69 million won worth of forest and farm land in Kumi, North Kyongsang Province, and his father's assets at 119.21 million won.

Environment Minister Hwang San-song proved to be the richest of the 29 ministers with assets totalling 2,342.33 million won. The former lawyer listed 343.2 square meters of land in Yoksam-tong, Southeastern Seoul, at 884.96 million won and 1,982.61 million won in other assets, including a building with a 95.7-square-meter floor space. Her husband has assets of 359.71 million won.

Foreign Minister Han Sung-chu and his family unveiled assets of 2,196.5 million won, with his own property put at 609.76 million won and that of his wife and mother totalling 1,586 million won.

Prosecutor-general Pak Chong-chol listed his assets at 1,696.64 million won and his family's at 275.75 million won. Ho Sin-haeng, agriculture, forestry and fisheries minister, has only a 49-pyong (161.7-square-meter) apartment listed for 272 million won. Family assets include his wife's 11.33 million-won condominium membership and his mother's 8 million won of farmland.

Health and Social Affairs Minister Song Chong-suk revealed savings and stocks worth 81.69 million won and assets of 323.64 million won held by her husband.

Other ministers' assets are, in order of size:

First state minister for political affairs Kim Tok-yong, 1,953 million won;

Trade, Industry, and Resources Minister Kim Chol-su, 1,760 million won;

Secretary-general of the advisory council on democratic and peaceful unification Yu Kyong-hyon, 1,533 million won;

Government Administration Minister Choe Chang-yun, 1,454 million won;

Seoul Mayor Yi Won-chong, 1,228 million won;

Information Minister O In-whan, 1,072 million won;

Construction Minister Ko Pyong-u, 1,005 million won;

Transportation Minister Yi Ke-ik, 929 million won;

Finance Minister Hong Chae-hyong, 910 million won;

Legislation Minister Hwang Kil-su, 824 million won;

Labor Minister Yi In-che, 807 million won;

Culture and Sports Minister Yi Min-sop, 787 million won;

Justice Minister Kim Tu-hui, 777 million won;

Patriot and Veterans Affairs Minister Yi Pyong-tae, 769 million won;

Defense Minister Kwon Yong-hae, 729 million won;

Home Minister Yi Hae-ku, 717 million won;

Education Minister O Pyong-mun, 603 million won;

Science and Technology Minister Kim Si-chung, 599 million won;

Communications Minister Yun Tong-yun, 562 million won;

Second State Minister for Political Affairs Kwon Young-cha, 559 million won; and

Chon Yong-taek, chairman of the National Security Council and emergency planning committee, 500 million won.

The Chongwadae staff (presidential office) also revealed their assets Thursday.

Pak Kwan-yong, chief presidential secretary, said his and his family's assets amount to 789.76 million won.

The chief of staff owns a 296.5-square-meter house (445.52 million won) in Sokyo-tong, Mapo, the lease on the fourth floor of the Chongha building in Pusan (50 million won), a 2.4-liter grandeur car (11.5 million won), fire insurance (4.5 million won), and family membership in a health club in the Sokyo Hotel (4.5 million won).

Pak's wife has 240.93 million won in savings and insurance of 16.31 million won, while his eldest son has 16.49 million won in the bank.

Pak Sang-pom, chief of the presidential security service, listed total assets at 276.46 million won, including property of 244.4 million won (a 375.2-square-meter home in Chongro and 7,363 square meters of farmland in Okchon, North Chungchong Province), and assets of 32.46 million won for his wife and mother.

Chu Ton-sik, senior secretary for political affairs, gave his family's assets as 813.15 million won—his own of 811.15 million won and his wife's savings of 12 million won.

Senior secretary for economic affairs Pak Chae-yun said his assets were 552.92 million won, listing a 57-pyong apartment and three-story kindergarten valued at 461.4 million won.

Senior Secretary for Social and Cultural Affairs Kim Chong-nam listed family assets at 556.77 million won, with his share amounting to 412.77 million won.

Others are 751.7 million won for senior secretary for foreign and national security Chong Chong-uk, 563.99 million won for senior secretary for government affairs Kim Yang-pae, 829.18 million won for senior secretary for petitions and information Kim Yong-su, 299 million won for senior press secretary Yi Kyong-chae, and 363.67 million won for senior secretary for administrative affairs Hong In-kil.

Democratic Party Elects New Floor Leader Kim Tae-sik

SK1803095393 Seoul YONHAP in English 0747 GMT
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[Text] Seoul, March 18 (YONHAP)—The opposition Democratic Party elected Rep. Kim Tae-sik its floor leader Thursday in the first open and free vote held in a meeting of its assemblymen. Kim, a member of party leader Yi Ki-taek's mainstream faction, defeated Rep. Hong Sa-tok, another mainstreamer, by 66 votes to 27 in a runoff vote. In the first ballot, Kim and Hong won 26 votes each and three non-mainstreamers got 42 between them—24 for Rep. Sin Ki-ha, 10 for Rep. Yi Yong-kwon and eight for Rep. Pak Sil.

ROK To Subsidize 50 Percent of Farm Machinery Price

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18 Mar 93 p 2

[Text] From now on, farmers who buy power tillers and other farming machines will be given government subsidies amounting to 50 percent of their purchase prices. The government step is in line with a President Kim Yong-sam's election pledge. During the election campaigns last December, Kim vowed that his government would provide farmers with farming machines at half the current prices. The half-price policy was finalized in a ruling Democratic Liberal Party-government consultative meeting at the Korea Chamber of Commerce and Industry yesterday.

DLP Chief Policymaker Kim Chong-ho, Deputy Premier-Economic Planning Board Minister Yi Kyong-sik and other DLP and government officials agreed to give the "half-price" benefits to farmers who buy power tillers, rice transplanters and other small-size farming machines whose prices are 2 million won or less. For farmers who buy agricultural machines costing more than 2 million won, the government will give 1 million won subsidies and supply long-term loans at a low interest rate.

The government will provide loans of 60-90 percent of the purchase prices and the annual interest rate will be only 5 percent. The government step will apply retroactively to those who have purchased machines since Jan.

1, and will be effective through 1997. The government will decide later on whether to continue the benefit measures after 1997. The beneficial step will cost the government 220 billion won and the money will come evenly from the national treasury and local governments. DLP Chief Policymaker Kim said that an estimated 142 billion won will be needed to subsidize those who purchase farming machines this year alone.

Transport Ministry To Enforce Car Pool System

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17 Mar 93 p 3

[Text] The Transportation Ministry plans to enforce a "strict" car pool system soon during rush hours in a bid to alleviate ever-worsening traffic congestion in big cities. The formula restricting the operation of a car carrying only one person is to be pushed through along with the current "10th day no vehicle" system as a preliminary step to solve traffic problems before fundamental measures such as drastic expansion of subways and other public transportation networks and construction of more roads, a ministry official said yesterday.

The ministry is initially seeking to ban cars having no passenger but the driver from using main roads or tunnels leading to downtown during the morning and evening rush hours, the official said. Instead, such cars should make a detour to get to their destinations, according to the ministry plan. Car owners accepting the formula may be given various "privileges" the government is yet to figure out. The hours, which are yet to be set through inter-ministry consultations, are expected to be from 7 to 9 a.m. and 6 to 8 p.m.

In the case of Washington D.C., main roads to the U.S. capital are blocked for cars carrying no passengers during rush hours. A violation means a big fine, the official explained. For the time being, the number of passengers of cars not affected by the formula will be set at two for an "easier access to the system," he said. Concrete plans on the formula, which is now being implemented partially, will be announced shortly, he said.

At present, the Seoul city administration exempts from the 100-won toll of Mt. Nam Tunnels 1 and 3 cars carrying more than three people. However, the current formula does not effectively promote the speedy flow of traffic in the tunnels due to the "too small incentive," the official said.

Explaining the background for the projected strict implementation of the car pool system, the official said, "Every person has the right to own his own car. No one can stop its. So, to cope with the rapidly-increasing number of cars, we have no way but to reduce the use of the cars, thereby preventing car owners' discontent." "If the formula yields successful results, we may, in the long run, consider expanding exclusive lanes for public transportation means, namely buses," he said.

SINDONG-A Overviews Rice Market Issue

*SK1603085893 Seoul SINDONG-A in Korean Feb 93
pp 484-95*

[Article by Kwon Sok-won: "Rice Market Opening: An Overview"]

[Text] "I will risk my position as president and ensure that our rice market is not opened." So boasted each of the candidates—Kim Yong-sam, Kim Tae-chung, and Chong Chu-yong—during the heat of the presidential contest.

Yet as the people's attention was focused on the presidential election, final negotiations were underway in Geneva, Switzerland, home of the GATT (General Agreement on Tariffs and Trade) Secretariat. These negotiations aimed at making a breakthrough in the Uruguay Round of negotiations before the year's end.

As soon as differences in opinion were ironed out between the United States and the European Community, the two forces who have guided the Uruguay Round of negotiations, GATT Director General Dunkel instructed the major countries to prepare to hold a meeting at any time. He requested that each of the countries submit their positions on the agricultural goods negotiations by 18 December. The target was a "political settlement," one that would lead to an agreement on basic principles. It would be achieved by pursuing negotiations based upon the agreement made between the U.S. and the EC.

The Uruguay Round of negotiations had come to a standstill on 18 December 1992 due to the strong opposition of some countries, including Korea, Japan, and France. However, with bilateral negotiations having resumed in January 1993, it now seems likely that they will be completed in early 1993. Yet domestic political circles continued repeating, "We will solidly maintain our rice market position," as though completely unaware of the international mood.

Shortly afterwards in a New Year's interview, President-elect Kim Yong-sam deviated from his stance of "absolute adherence on the rice market issue" by saying, "The relative importance of rice farming in our farmers' overall income is decreasing, and we must delay opening as much as possible until our agricultural competitiveness has adequately improved." Thus from the very outset of the new year, the issue of rice market opening has been brewing like an approaching tempest.

The U.S.-EC Compromise and "Tariffication Without Exception"

Drastic developments in the Uruguay Round negotiations began with the joint announcement on 20 November 1992 by the U.S. and the EC that settlements had been reached on both the issues of reducing production of oil and fat products such as soybeans, oilseeds, and sunflower seeds, and that of reducing export subsidies at the Uruguay Round negotiations.

Of the fifteen fields on the negotiating table of the Uruguay Round which began in 1986, agricultural products have been the most difficult area for agreements to be reached. Great agonizing has taken place over whether to accept or refuse the draft proposal presented by Dunkel toward the end of 1991. This was because of the unresolved confrontation between the U.S. and the EC, the two de facto leaders of the negotiations.

European countries, despite being at a disadvantage compared with major agricultural product exporting nations such as the United States, Australia, and Argentina, have increased production through the provision of subsidies as a form of domestic agricultural protection. Additionally, by providing export subsidies, these nations have been competing fiercely in the international market by selling their excess agricultural goods there. Thus the traditional exporting nations—the U.S., Argentina, and Australia—have taken the offensive. They are calling for a reduction in government intervention like the provision of subsidies, and encouraging the creation of a free competitive system. Yet negotiations have repeatedly encountered difficulties as the Europeans have resisted and the confrontation over the scale of subsidies has not abated.

Negotiations between the U.S. and the EC continued until early November 1992 in an attempt to arrive at a settlement over issues of dispute concerning agricultural products. When the negotiations eventually broke down, the U.S. threatened on 5 November, to adopt retaliatory measures. It stated that it would attach a 200 percent tariff on three products—white wine, rapeseed oil, and wheat gluten—beginning 5 December 1992. The U.S. linked these measures to a solution in the dispute over oils and fats products.

When concerns heightened over the outbreak of a trade dispute between the U.S. and the EC, both sides once again sought a compromise. On 20 November, U.S. President Bush and British Prime Minister Major announced an agreement in negotiations, with an agreement also reached on the reduction of export subsidies, an area that had been a point of contention at the Uruguay Round. This provided a breakthrough in the negotiations.

With minister-level representatives from the various nations present on 26 November, the Uruguay Round Trade Negotiating Committee kept the momentum going as it agreed to the goal of reaching a political settlement before the year's end and resumed negotiations.

A political settlement would not be a complete settlement that included market opening schedules for each country involved. Rather, it would aim at arriving at an agreement that would be more of a political proclamation, with an agreement on a few basic principles for liberalization of agricultural trade.

France, however, the largest of the agricultural nations within the EC, stepped forth in total opposition to the

settlement between the U.S. and the EC immediately after it was achieved and proclaimed that the agreement was invalid. Korea and Japan also came out in strong opposition to "tariffication without exception," which to them equals the importance of issue of opening rice markets. The two countries raised the argument of food security. Finally, even developing countries such as India resisted, demanding revision of the Dunkel Draft Plan that they claimed favored only exporting nations. Thus, negotiations had to be put off until 1993.

Uruguay Round in Its Final Stage

Compared to Director General Dunkel's draft plan designed to arrive at a settlement of the Uruguay Round negotiations, the revised agreement between the U.S. and the EC was favorable to developed countries. This included a lowering of the target for the reduction of the quantity of products receiving export subsidies from 24 percent to 21 percent.

The Dunkel Draft Plan is also getting low marks at the Uruguay Round due to the fact that its mandatory balances are disadvantageous to developing and importing countries. The Uruguay Round's major purpose has been to encourage the "opening of borders" through market opening and subsidy reduction in developing and importing nations. Until now, these nations have protected their domestic farmers through import restrictions. The revised agreement between the U.S. and the EC was an attempt to achieve some progress favorable to the developed nations at the multilateral negotiations participated in by 108 countries.

Accordingly, not only did Korea and Japan who oppose the "tariffication without exception" principle demand a revision of the Dunkel Draft Plan, but countries such as Canada and Switzerland demanded revision as well, offering their own reasons.

Yet there was not enough time to arrive at a settlement to Uruguay Round negotiations based upon the agreement reached between the U.S. and the EC.

Even in arriving at settlement of the Tokyo Round, the seventh round of negotiations that preceded the Uruguay Round within the GATT, a secret agreement was reached between the U.S. and the EC, the leaders of the Tokyo Round. It took two years for this agreement to be adopted at multilateral negotiations.

France's reason for forcefully opposing the negotiations between the U.S. and the EC is, of course, to protect their own agricultural industry. France is the largest agricultural power within Europe and the world's second largest exporter of agricultural goods. However, another major reason lies in the fact that the ruling Socialist Party had to be conscious of the general elections that are to be held in March 1993.

The Clinton Administration is also believed to have been concerned that should a conclusion to the Uruguay Round be rushed prior to 20 January, the date that

President Bush was to hand over the administration to Clinton, then the U.S. would have had to yield on too many areas. Subsequently, the Clinton Administration pushed for a delay in a Uruguay Round settlement until after the transfer of power.

Based on the fact that an agreement was reached between the forces that are guiding the negotiations, it is quite possible that the Uruguay Round itself could enter its final stages should these forces have the political resolution to do so.

On 18 December 1992, just prior to the Christmas vacation, 1992's negotiations came to a close. Bilateral negotiations between concerned countries resumed on 4 January 1993 and on 15 January, the resumption of the Trade Negotiation Committee was announced. These events all indicate that the Uruguay Round may be headed for its final stages.

There are those who therefore feel that the settlement of the Uruguay Round may quite possibly be reached by mid February, before the special authority granted by the U.S. Congress to the Administration to deal with negotiations in an expeditious manner expires. At the latest, a settlement is forecast for mid 1993. Should a settlement be impossible even at this stage, it appears that the Uruguay Round will either be put off on a long term basis or written off altogether.

Rice Market Opening Is the Key Issue

As the U.S. and the EC brought to a close the dispute over agricultural products on 20 November 1992, the issue that arose as the major point of contention in each of the various committees was "tariffication without exception." Needless to say, this was a decisive core issue that would determine the feasibility of Korea's position to "never open the rice market" [ssalkaepang pulka].

In contrast to restricting imports, "tariffication" entails the opening of import markets even if it requires the fixing of high tariffs. The phrase "tariffication without exception," however, says that there can be no exception, and the issue of rice also cannot become an exception.

Our country is currently making its position clear that a total of 15 items including rice, beef, soybeans, corn, and milk are key items that cannot be considered so-called Non-Trade Concerns (NTC) whose import opening must be exempted. However, the conclusion has been reached even within our government that this list is too long and that some flexible response must be made. In addition, if an exception for even one country is recognized due to special circumstances at the Uruguay Round bargaining table, then other countries' items must be recognized as well. Thus, the main area of concern is whether rice could, in all reality, be a singular exception.

The Major Nations Group meetings held on 4 and 9 December 1992 were a few of the major meetings in which Korea has participated. The 4 December meeting was attended by 23 nations. These included 19 nations

from the core group, such as the U.S., the EC, Australia, Argentina, Brazil, Japan, Korea, India, and Mexico, and four other nations—Norway, Columbia, Hungary, and Indonesia. At the meeting, while there was no public announcement of any concrete proposal agreed upon by the U.S. and the EC, discussion began on a settlement to the Uruguay Round negotiations. Korea and Japan immediately stepped forth and opposed "tariffication without exception," while other countries also made statements opposing tariffication under the Dunkel Draft Plan.

Nations in addition to those countries who had previously opposed "tariffication without exception" also stepped forth this day and either stated that they could not produce a market opening plan (a country schedule), as in the case of India and Egypt, or that they could not accept the concept of minimum market access for rice, as was Indonesia's claim.

The atmosphere at the 9 December meeting attended by the 14 nations belonging to the hard core group, however, was somewhat different. The group of exporting nations (known as the Cairns Group) that includes such nations as the United States, Australia, Argentina, and New Zealand, asserted that "tariffication without exception" must be accepted as a basic principle. Korea resisted, stating that the negotiations must not head in a direction favorable solely to exporting nations and that some degree of flexibility on the issue of exceptions to tariffication must be recognized. India, as a representative of the developing nations and having a relatively important agricultural sector, also stepped forth and asserted that it would be difficult to accept "tariffication without exception."

Japan, though, even while insisting that exceptions for rice and dairy products must be recognized, appeared to be retreating somewhat by insisting that they were not opposed in principle to "tariffication without exception."

Group of Nations Opposing Tariffication

Canada declared that it was unreasonable to emphasize only the issue of "tariffication without exception." Switzerland stated that although they could accept tariffication, they would need an extension of the period within which to implement such a policy. Mexico stated that tariffication needed to be deliberated over a long term. Overall, the atmosphere among these nations was one of retreating in the face of overwhelming forces.

Accordingly, the chairman of this meeting, Tuny, was unable to arrive at any conclusion. The meeting finished with a mere confirmation that the issue of "tariffication without exception" was one that would become an important topic for discussion in the future.

In any case, those countries opposing tariffication formed their own group and got together on days when

no other meetings were scheduled to discuss counter-measures. Remaining as an established force, countries such as the United States needed some means and time to attack them.

Through unofficial bilateral negotiations, countries such as the United States made threatening requests for cooperation, including "Should we recognize a special case for one nation, then other nations will also step forward to request exception. Thus, absolutely no exceptions may be recognized." At the same time, conciliatory statements, such as "special circumstances may be resolved through other methods," were also made. With the battle progressing in such a manner, the issue as far as Korea was concerned narrowed down to one of rice market opening.

Difference in Korean and Japanese Position on Rice Market Opening

As this was going on, Japan began to show indications of changing direction and showing flexibility towards rice market opening. An atmosphere of compromise and settlement began to develop, with the U.S.-EC agreement being announced on 20 November and a tentative agreement on a year-end target for settlement of the Uruguay Round made at the 26 November meeting of the Trade Negotiating Committee. When this happened, Japan's representative, Chief Cabinet Secretary Kato Koichi, stated at a press conference on 30 November 1992, "At some time a political decision must be made regarding the rice issue." He added, "We can arrive at a compromise with our negotiating partners such as the U.S. and the EC."

Prime Minister Kiichi Miyazawa stated at a Diet meeting later on 1 December, "The objective of the Uruguay Round negotiations is to lower trade barriers through concessions. We must arrive at this objective through compromise." He was thus hinting at the possibility that Japan might ease their prohibition on rice imports and open their markets.

Even Minister of Agriculture Tanabu Masami, who had so adamantly articulated Japan's position on the impossibility of market opening, told correspondents on the same day after a regular session of the Diet, "Japan may support either a proposal in the area of agricultural trade to change nontariff barriers to tariffication, or perhaps arrive at a 'political resolution' aimed at a revised plan." Thus Masami hinted at the possibility of market opening.

Then, sure enough, the Japanese press unanimously reported on the necessity of market opening. It explained that even if markets are opened, a tariff of 600 to 700 percent could be applied, thus allowing for the blocking of imports such as California rice. The atmosphere was one of market opening being virtually a fait accompli, a recognition based upon the conclusion that, with ongoing negotiations in Geneva apparently in their final stages, it would be difficult to realistically obtain recognition for an exception for rice.

In Korea as well, people began to assert that rather than recklessly and rashly maintaining a position that wouldn't hold up anyway, it might be better to begin putting together counterpolicy. Criticism began to emerge that to simply resist blindly and then ultimately capitulate, with no substantial counterpolicy such as an attempt to delay the timing of the opening as much as possible or to make tariffs as high as possible, would not only be irresponsible but also would be deceptive to the people.

On 25 December 1992, Deputy Prime Minister Choe Kak-kyu stated, "Although we oppose the opening of the rice markets at this point, should the time come when a new international trade order is established through the Uruguay Round negotiations there will then be widespread debate on the subject participated in by figures from politics, business, and farmers' groups." This caused great ripples domestically, being interrelated with other events going on at the time. Talk of the inevitability of market opening began to surface in both Korea and Japan as the atmosphere of international negotiations gradually headed towards one of compromise and settlement. Listening to the arguments, however, there is a great difference between the two countries.

Choe Yang-pu, deputy head of the Korea Rural Economics Institute, has continuously attended trade negotiations since the Brussels Conference. Regarding differences between Korea and Japan, Choe states, "As an economic superpower with an immense trade surplus, Japan has a responsibility to cooperate in the Uruguay Round of negotiations for the sake of the development of world trade. It is within this theory of Japan's responsibility as a great country that they must open. If the trend should inevitably head in such a direction, Korea cannot help but follow, and Korea's position will be based upon a passive propensity toward opening."

According to Choe, Japan's position opposing opening is based on the cultural theory. This theory states that the basis of Japan's economic prosperity is rooted in its collectivist culture. The roots of this collectivist culture are found in rice cultivation, which is dependent upon communal farming operations. Because of this, should Japan open its rice markets and its rice farming industry collapse, then its collectivist culture and the economic prosperity of Japan itself would be threatened.

In contrast, Korea's farming population is around 6 million. Within the agricultural economy, rice farming accounts for around half of total farm income. Thus, there is absolutely no way that the severity of a collapse of agriculture in Korea could be compared with Japan. Japan's actual income from rice production only amounts to 0.7 percent of gross national product, while in Korea that figure is around 4.3 percent.

Also, Japan has developed the world's highest quality rice, and they have confidence in quality competition with rices such as Calrose produced in California.

In contrast, Korea has only recently developed such rices as ilpum [first-class] and chinmi [true rice] and they are currently only at the seed breeding stages.

In any case, the position of officials currently active in the negotiations from the Ministry of Agriculture, Forestry, and Fisheries is that Korea must absolutely avoid simply retreating in fear of the logic that with Japan unable to resist market opening, it will be impossible for Korea to resist as well. If we give up here, it is reasoned, then there will be no further ground to stand upon. We must establish countermeasures for rice market opening so that eventually through a readjustment of arable land and the strengthened mechanization of agriculture, production costs can be lowered. Thus countermeasures are already being pursued in conjunction with structural improvements to agriculture. Yet only by fighting a life-or-death struggle with our backs to the wall can anything be gained in the areas of extending the period for opening, fixing tariffs, or gaining recognition as a developing country. This argument says nothing is to be gained by simply retreating.

Impact of a Uruguay Round Settlement

If this is the case, then what exactly will happen if there is a settlement to the Uruguay Round? If, being pushed back during the Uruguay Round negotiations, we are forced to open our markets according to the Dunkel Draft Plan, then imports of all goods will be opened. So-called tariffication must then be accepted to adjust the difference between the prices of domestic and imported goods.

Additionally, this tariff must be reduced 36 percent over the next five years. For example, if 80 kilograms of domestic rice is 120,000 won, and the international price is 20,000 won, then the difference in price that is made up for by the tariff (the appropriate tariff amount) is 100,000 won. Thus the tariff in the first year would be 100,000 won, and during the next five years that amount is reduced 36,000 won. After five years, then, rice must be imported with a tariff of only 64,000 won.

Although U.S. rice cannot be sold domestically, rice that originates from U.S. military bases here is already the choice of some domestic consumers who cite various reasons such as superior taste or lower use of pesticides to explain their preference.

Should such rice enter the country at a low price, it quite clearly will trample mercilessly over the domestic rice market.

Rice that Koreans prefer is being produced cheaply even in China. Thus, there are those who say that we should be more concerned with Chinese rice should the rice market here open.

Additionally, at least 3 percent of total domestic consumption of goods that currently are not being imported must begin being imported at a basic tariff rate (within 10 percent). After five years, this figure for imports as a

percentage of total domestic consumption must be raised to 5 percent. Thus, for 37 million sok [Korean unit of measure] of rice, 1.11 million must be imported.

Also, domestic subsidies must be reduced 20 percent over a five-year period. This means that the amount of rice receiving government price supports must be reduced. Should Korea be recognized as a developing country, the situation will improve a little. In this instance, each of the requirements listed above will be implemented at one-third of the required levels.

What is the greatest concern should domestic markets be opened? The problem that will immediately arise is that of reduced farm income. Should inexpensive agricultural imports enter the country, domestic prices will fall. With the resulting decline in profitability, acreage under cultivation will be reduced. Thus an enormous reduction in farm income will result in the long run.

According to analysis by the Korea Rural Economics Institute, should all agricultural products including rice become open for import, then damage incurred by farmers will amount to 2.57 trillion won over the next ten years. About half of this damage will affect the rice farming sector.

The Korea Rural Economics Institute developed two scenarios. In one, the market opening period for rice is delayed five years, and in the other, no special consideration is received. These two scenarios are further divided into cases according to the minimal amount of liberalized goods allowed and the amount of increase over a ten-year time period. Damage inflicted upon farmers in each case was estimated.

Scenarios Related to Tariffication Scenario I

A1. Rice: After a five-year period of delay, a reduction of the tariff by 20 percent over a ten-year period. Three percent of market access guaranteed with no future increases.

A2. Other Products: 40 percent reduction in tariffs over ten years. Three percent market access with a four percent increase.

B1. Rice: After a five-year period of delay, a reduction of the tariff by 40 percent over a ten-year period. Three percent of market access guaranteed, with no future increases.

B2. Other Products: 40 percent reduction in tariffs over ten years. Three percent market access with a four percent increase.

Scenario II

A1. Rice: 20 percent reduction in tariff over a ten-year period. No market access guaranteed.

A2. Other Products: 40 percent decrease in tariff over a ten-year period. Three percent market access guaranteed, increased by four percent.

B1. Rice: 20 percent reduction in tariff over a ten-year period. Three percent access guaranteed initially, no future increases

B2. Other Products: 40 percent decrease in tariff over a ten-year period. Three percent market access guaranteed, unspecified increases.

C1. Rice: 20 percent reduction in tariff over a ten-year period. Three percent market access guaranteed, 2 percent increases in the future.

C2. Other Products: 40 percent decrease in tariff over a ten-year period. Three percent market access guaranteed, increased by four percent.

No matter how it is calculated, the damage inflicted upon farmers will exceed 2 trillion won. Also, the shrinkage of the agricultural industry is expected to cause shrinkage in the related industries of farm machinery, fertilizer, insecticides, and seed breeding.

Total Amount of Damage Inflicted to Farmers in Each Scenario (in billion won)

	Total Damage	Rice Damage	Percent of Rice Damage
Scenario IA:	1,999.3	718.6	35.9
Scenario IB:	2,712.2	1,431.5	52.8
Scenarios IIA, B, and C:	2,570.0	1,289.4	50.2

(Note: total overall damage to farmers is greatest in scenario IB)

If Rice Markets Open, Farms Will Be Destroyed

Food security is another major issue. Currently, Korea's self-sufficiency rate in grain is below 40 percent. This figure is still less than 70 percent even if feed-use grain is exempted. We are currently dependent on foreign products for over 50 percent of the energy we consume.

Even without supposing war, the above problems can become enormous disasters should there be a global change in weather or spread of a disease resulting in a worldwide reduction in the amount of agricultural produce.

Typical examples of this include the time in 1980 when Korea was struck by cold weather damage and rice exporting countries such as the United States pushed up the international price of rice and sold it to us at a high price. Another example was when the Soviet Union invaded Afghanistan and the United States placed a wheat embargo in retaliation.

Throughout the world, the production and consumption of rice virtually all take place within the same region. Thus it is grain which is traded in very small amounts when compared to its level of production. In 1990, only 3.6 percent of total world rice production was traded. This is in stark contrast to wheat, at 16.6 percent, or corn, at 16 percent.

Accordingly, not only would it be difficult to secure a source of rice, but the price would skyrocket as well should some crisis arise. The current world-wide surplus of rice on the market is responsible for the rather low

price. However, should production of rice in regions lacking competitiveness drop, and trade in rice increase, then the position of producing nations will be strengthened and the price will have to rise.

Moreover, when it comes to the rice Koreans eat, we only prefer the kind produced in Japan and northern China. Worldwide, the production and consumption of such rice is extremely limited. Currently 89 percent of world-wide rice production is of the so-called Annam rice, a long version of long-grain rice that lacks stickiness. Thus the rice that we Koreans eat is extremely vulnerable when it comes to food security.

With the exception of small city-states, small countries must be allowed to independently produce their own basic foods for the sake of protecting their sovereignty. Conscious of this, Japan has supported the growth of such companies as Mitsui Industries into international food majors [sikryangmeicho] so as to secure foodstuffs and grab a part of the international market on the one hand, and on the domestic front, to protect the domestic farm industry so that it may stably produce foodstuffs.

Imbalance of Farm Land and Agricultural Price Shocks

Utilization of farm land is also a big problem. It is easy to think that should inexpensive rice enter the country and domestic rice lose its market share, other grains could be planted in rice paddies. However, with the aging of the farming population, half being in their fifties or older, and with the growth in the number of females engaged in farming, it would be difficult for these people given their circumstances to plant other grains.

Even if they could plant other grains in the rice paddies, this would cause shocks to the price of various other agricultural products. As of 1991, a total of 2.1 million chongbo [Korean unit of measurement] of arable acreage, 1.34 million or 64 percent is rice paddies.

It would appear feasible for farmers to plant such items as red peppers, garlic, and onions—items which have a great relative weight in farmers' income and for which cultivation methods have already become standard for farmers. Yet already acreage under cultivation for red peppers totals 100,000 chongbo, 50,000 chongbo for garlic, and 10,000 chongbo for onions. Thus should even a small amount of acreage currently used for rice be changed to a different product, there is concern that a drastic drop in price of that product would result from excessive production.

Furthermore, these products can no longer remain untouched by the fury of the Uruguay Round typhoon. According to research of the Korea Rural Economics Institute, damage inflicted to red pepper agriculture during the next 10 years due to market opening will total 249.2 billion won, second behind that of rice. Great blows will also be dealt to livestock farmers that produce beef, as their total losses will come to 140.4 billion won, and to garlic farmers, who will lose a total of 138.7 billion won. In the end, a dismal situation in which

nothing is left to farm is anticipated.

Anticipated Damage to Farmers

(unit: million won; percentage in parentheses)

Rice	1,289,395	(50.2)
Barley	43,288	(1.9)
Soybeans	95,876	(3.7)
Corn	12,952	(0.5)
Sweet potatoes	58,435	(2.3)
Potatoes	26,733	(1.0)
Red pepper	249,298	(9.7)
Garlic	138,775	(5.4)
Onion	32,708	(1.3)
Sesame	97,675	(3.8)
Peanuts	15,900	(0.6)
Apples	109,167	(4.2)
Pear-apples	28,678	(1.1)
Apricots	10,898	(0.4)
Grapes	76,560	(3.0)
Tangerines	49,619	(1.9)
Beef	140,448	(5.5)
Pork	51,109	(2.0)
Chicken	21,585	(0.8)
Eggs	15,950	(0.6)
Total	2,570,049	(100.0)

(Source: Korea Rural Economics Institute)

In a country like Korea with a temperate monsoon climate, 70 percent of the annual average rainfall is concentrated in the July to August time period. Subsequently, it is most suitable for rice farming. Should rice not be cultivated, there would be a marked weakening of flood control capabilities, and concerns over temporary loss of water resources will also grow. In fact, the flood control capabilities of rice paddies at 3.5 billion tons is calculated to be 2.3 times greater than the 1.53 billion ton reservoir capacity of the six multipurpose dams such as the Chungjuho.

What causes most concern is that regardless of the reason, the opening of the rice markets will appear to farmers as the government's abandonment of agriculture. The disappointment of farmers who tenaciously remained in farming villages to continue farming, and their subsequent abandonment of farming will indeed become a major social problem.

In Japan's case, factories were established in rural farming areas long ago, so that although farming continues, employment in factories and other sources of extra-farm income is the main source of income. This extra-farm income accounts for 75 percent of the total income of farm households. Thus even if rice income is reduced, there would be no pressing concern about

farmers leaving their villages. Japan has been providing special consideration for the agricultural sector at a policy level for some time already. Japan has established factories concentrated in rural farming areas since World War II in connection with their employment policy for people entering the country from overseas.

In comparison, Korea has only recently begun to establish industrial parks in rural areas, allowing farmers to obtain jobs while continuing to reside in the countryside. However, since nearly all of the young manpower has already left the countryside, these industrial complexes are having to recruit workers from nearby urban areas. When the future of farming looks bleak, younger manpower will surely flee at an even greater rate.

Should this happen, no matter how much the government invests in improving agricultural infrastructure, enterprising young people who are capable of carrying out technology-intensive or even capital-intensive farming will be gone, and no great results can be expected from such investment. Additionally, should this population rush to large cities, means of improving housing, traffic, and environmental problems there will become even more difficult as will hopes for the balanced use of national land.

"NTCs Must Be Eternal"

One high-level official of the Ministry of Agriculture, Forestry, and Fisheries stated, "Although it appears that if tariffication under the Dunkel Draft Plan were accepted we could endure by setting the tariff on imported rice at 500 or 700 percent and improving production output, the truth is that in the international arena, a 500 percent tariff is unspeakably egregious." He added, "In only a few years, other countries will clamor that the tariff is too great, and we will find ourselves being constantly pressed to lower it."

In the case of specially designated foreign goods, whose rapid influx and the resultant damage to domestic industries are causes of concern, the temporary adjustment tariff levied amounts to no more than 100 percent. Even

in this case there are some who say that this is too high. Hundreds of percent in tariffs will in itself bring on numerous difficulties. No matter how it is put, having to open with "tariffication without exception" is nothing but absolute death.

What must we do should the Uruguay Round negotiations proceed in the direction of the Dunkel Draft Plan and rice market opening become inevitable? Immediately, some 1 million sok (3 percent of domestic consumption) will enter the country annually under minimum market opening.

Should this rice enter the market as is, then it will begin to circulate on the domestic market. We must then quickly isolate this in markets where it can be used for processing only, and funnel it into organizations such as the Agriculture and Fishery Trade Corporation. However, should the amount of imported rice continue to grow, there are limits to the degree to which this can be accomplished.

In order that farmers can continue to farm, the government must develop some means to supplement the drop in the cost of domestic rice and the reduction in farmers' income that will result from the opening of rice markets and the rapid reduction in tariffs. Rather than such means as the government purchase of rice, the government must help farms through different methods. This might include direct compensation, a method that is not one of the targets for reduction under the Uruguay Round negotiations. Even though such government support will stabilize farm income, the disparity in income between farmers and those who live in the city and work in factories cannot help but grow.

There is a slogan hanging in the International Cooperation Office—the office in charge of the Uruguay Round negotiations—within the International Cooperation and Trade Bureau of the Ministry of Agriculture, Forestry, and Fisheries which reads: "NTCs Must Be Eternal." Should it become difficult to maintain non-trade concerns, or to gather strength to prolong the NTC's as long as possible, officials frankly confess that there is no other policy alternative at this point in Uruguay Round negotiations. Frustrating as this may be, it is our reality.

Burma

Bangladesh Minister Arrives on Visit 17 Mar

*BK1803150293 Rangoon Radio Burma in Burmese
1330 GMT 18 Mar 93*

[Text] At the invitation of Rail Transportation Minister U Win Sein, Retired Colonel Oli Ahmed, communications minister of the People's Republic of Bangladesh and special envoy of Prime Minister Begum Khaleda Zia, arrived on a visit by air this afternoon. The minister was accompanied by his wife, (Begum Mumtaz).

The Bangladeshi minister was welcomed at Yangon [Rangoon] Airport by Foreign Affairs Minister U Ohn Gyaw and wife Daw Khin Shwe; directors general and responsible personnel from the Ministry of Foreign Affairs; Mr. Mustafa Farooq Mohammad, ambassador of Bangladesh, his wife, and embassy officials.

Convention Delegates Report on Chapter Headings

*BK1803033393 Rangoon Radio Burma in Burmese
1330 GMT 17 Mar 93*

[Text] Various groups of delegates to the National Convention held panel discussion on names and the arrangement of chapter headings contained in the speech by U Aung Than, panel chairman, at the plenary session on 3 March in order to lay down basic principles for drafting a new state constitution. The reports on chapter headings compiled by groups of delegates have been submitted to the National Convention Convening Work Committee.

The group representing public service personnel submitted their report on 5 March. The groups of invited delegates representing technocrats and the intelligentsia submitted their respective reports on 10 March. The groups representing national races, peasants, and workers submitted their respective reports on 11 March. The reports were submitted on 15 March by the group representing elected representatives from the National League for Democracy and independents—U Hla Maung, Kya-in Seikkyi constituency, Karen State and U Tun Hlaing, Bahan-I constituency, Yangon [Rangoon] Division. Reports were also submitted on 15 March by the group comprised of representatives from the Shan

Nationalities League for Democracy, the National Unity Party, the Union Pa-o National Organization, the Shan State Kokang Democratic Party, and the Mro or Khami National Solidarity Organization, as well as independent delegates—Dr. Hmu Tang, Thangtlang constituency, Chin State; U Khin Maung Cho, Dimawhso, Kayah State; U Htaung Kho Htan, Tamu constituency, Sagaing Division; U Tun Kyaw, Namhsan constituency, Shan State; and U Aung Thein, Ywangan constituency, Shan State.

On 16 March 10 reports were submitted by delegates from the following political parties: The NLD, the Shan Nationalities League for Democracy, the National Unity Party, the Union Pa-o National Organization, the Shan State Kokang Democratic Party, the Mro or Khami National Solidarity Organization, the Lahu National Development Party, the Union Karen League, the Kokang Democracy and Unity Party, and the Wa National Development Party.

The National Convention Convening Work Committee is continuing its work according to the procedures prescribed for the National Convention on the reports compiled and submitted by various groups of delegates.

Joint Hotel Venture Formed With Macao

*BK1803030493 Rangoon Radio Burma in English 0200
GMT 18 Mar 93*

[Text] The Ministry of Trade has issued yesterday issued Notification No. 3/93 concerning the formation of the Myanmar [Burma]-Macao Hotel and Tourism Limited. The notification states that in accordance with the Union of Myanmar Foreign Investment Law, the Union of Myanmar Foreign Investment Commission has granted a permit to a joint venture company limited between the Union of Myanmar Economic Holdings Limited and the Myanmar-Macao International Limited of Macao for the purpose of building a six-storey hotel of international class equivalent of three stars, (?of providing) management of the hotel, expansion of the hotel business at Pagan, Mandalay, Taunggyi, and promotion of tourism services. In exercise of the powers conferred under the Special Company Act (?1960), the Ministry of Trade issued this notification to form a private joint venture company limited. The name of the joint venture company limited shall be Myanmar- Macoa Hotel and Tourism Limited.

Malaysia**U.S. Envoy To Be Summoned Over Reported Incident**

*BK1703135193 Kuala Lumpur Radio Malaysia
Network in Malay 1300 GMT 17 Mar 93*

[Text] The U.S. Ambassador to Malaysia, John Stern Wolf, will be summoned to the Foreign Ministry for an explanation on the treatment meted out to corporate figure, Tan Sri Eric Chia, when he was in New York recently. Foreign Minister, Datuk Abdullah Ahmad Badawi, said his ministry will also convey the Malaysian government's deep regret over a matter which should not have occurred in the first place. Malaysia has expressed regret over the U.S. authorities failure to inform its embassy in Washington or its office in New York about the matter with a view to giving an explanation on Tan Sri Chia. The minister told BERNAMA this when contacted at his office in Kuala Lumpur.

Tan Sri Chia, who is managing director of Perwaja Steel Sendirian Berhad [Perwaja Steel Company Limited], yesterday claimed that he was beaten by security personnel at the Kennedy airport in New York on 2 March and imprisoned for a day for no cause. He also said he was not treated well by the police while under detention and was denied his drugs for his diabetes.

Meanwhile, the U.S. Embassy in Kuala Lumpur has expressed regret over the incident. A statement in the form of a two-page press guidance from the U.S. State Department was released by the counsellor for public affairs, Nicholas Mele.

Minister: Bilateral Trade With SRV Doubles

*BK1803101093 Kuala Lumpur NEW STRAITS TIMES
in English 16 Mar 93 p 16*

[Text] Bilateral trade between Malaysia and Vietnam amounted to RM [Ringgit Malaysia] 412 million from January to November last year, International Trade and Industry Minister Datuk Sri Rafidah Aziz said yesterday.

The growth in bilateral trade was reflected by the almost two-fold increase from RM138 million in 1989 to RM235 million in 1991.

Imports from Vietnam increased 116 per cent between January and November last year compared with the previous year.

While exports from Malaysia comprised petroleum, margarine, textile, air-conditioners and heating appliances, imports from Vietnam consisted mainly of rice, tin, ore and rubber.

She said to enhance bilateral trade, the government was liberalising immigration laws.

Rafidah said links between Malaysia and Indo-China was also established by the Malaysian International

Shipping Corporation (MISC) through its container services between Singapore, Pasir Gudang in Johor and Ho Chi Minh City.

In addition, Bank Negara [Central Bank] has agreed to allow a period of three years for the the payment of exports from Vietnam on the Malaysian exporters' request.

"If payment cannot be made with cash, goods can be used as payment as there are problems pertaining to currency", she said.

She was speaking to reporters after receiving Vietnam's Minister of Light Industries, Dr. Dang Vu Chu, at her ministry.

Cabinet Directs Sarawak Power Plant Feasibility Study

*BK1303125993 Kuala Lumpur NEW STRAITS TIMES
in English 12 Mar 93 p 3*

[By Shamsul Akmar]

[Text] Jeli, Thurs.—The cabinet has approved about U.S.\$4 million (10 million ringgit) for Malaysia Mining Corporation [MMC] and a Brazilian firm to carry out a fresh extensive feasibility study on the U.S.\$7.5 billion (18.75 billion ringgit) Bakun hydro-electric dam project in Sarawak.

Energy, Telecommunications, and Posts Minister Datuk Sri S. Samy Vellu said the cabinet approved the allocation at yesterday's meeting.

The allocation was approved because it felt more studies should be made before the government could make a decision on the project.

Speaking to reporters after visiting the Pergau hydro-electric dam project here today, he said the government was still undecided after a preliminary study jointly carried out by MMC and the Brazilian firm.

"The two firms had spent a total of 5 million ringgit from their own resources for the initial study.

"However, the government wants a new study to be carried out as we feel that the project should be modified in concept, so that a smaller area will be submerged, before it can be allowed to proceed.

"The study will be concentrated on the Rejang River basin," he said.

Asked if the approval of the allocation meant that the federal government was keen to let the project proceed, Samy Vellu said: "The federal government is very interested in the project as we are looking at all possibilities that can ensure the country has ample electricity supply by the year 2000, and Bakun is one of them."

He said the mammoth project would be worth it if it could produce between 20,000 and 24,000 megawatts of electricity.

"The Bakun project is to be carried out in stages within a timeframe of 10 years. In the first stage, it will be able to generate 2,000 megawatts and by the time it is fully completed the 20,000 megawatts mark should be reached," he said.

The Bakun project was shelved in the 1980's due to the economic slowdown.

Last year, the Sarawak Government urged the federal government to revive the project because it would boost electricity supply not only for Sarawak but other parts of the country.

Previous reports said the project, covering most of Ulu Belaga, would affect 15 communities of six ethnic groups with a total population of 4,320.

The original plan for the Bakun project was to create a man-made lake of 695 square kilometres in surface area. Its power-generating ability is said to be one of the biggest among similar plants in ASEAN.

The minister said the new concept for the project would do away with large pondage. Cascade dams would be created instead.

He said if the project materialised, the country could expect to have energy reserves of 40 to 50 percent even at peak time and not merely 10 to 20 percent as at present.

Editorial Calls For Energy Crisis Sacrifice

BK1303151793 Kuala Lumpur UTUSAN MALAYSIA in Malay 20 Feb 93 p 8

[Editorial: "The Energy Crisis: Who is to Blame?"]

[Text] It is an undeniable fact that power rationing, which started in the country yesterday, has affected the lives of this country's residents. However, when such a predicament occurs, what we need is the public's cooperation and understanding.

The demand for electricity at any given time now stands at 4,600 megawatts, whereas generators belonging to the TNB [National Electricity Agency] can produce about 4,300 megawatt only. The TNB can actually produce more than its current capacity, but ongoing repairs of the agency's turbine generators throughout the country have made it necessary to impose rationing.

Since the country entered the industrialization era in 1970, people living in both urban and rural areas have lived comfortably, with the government providing all their basic daily facilities, especially electricity. Citizens in other developing countries do not enjoy all these facilities.

The TNB has actually imposed the power rationing as a last resort. The agency has to do it when demand indeed

exceeds supply. If it had not taken such an action, its capability to provide electricity to the industrial estates would have been severely affected. This capability to distribute electricity to the industrial estates nationwide in a regular and constant manner is very important in maintaining the confidence of investors.

The power failure which hit all of peninsular Malaysia last September highlighted the importance of giving high priority to the distribution of electricity to such industrial estates. After the power failure on 29 September 1992, the Federation of Malaysian Manufacturers claimed that industrialists in this country had lost about 219 million ringgit from the incident. When we look at this staggering figure, we find it necessary to prevent such an incident from recurring.

If people want to assist the TNB to provide electricity to the industrial estates in an uninterrupted manner, they should give their cooperation. The TNB's energy conservation campaign, launched this week, should be fully supported by all quarters as part of their contributions to national development.

Until the energy crisis is over about nine months from now, the energy conservation campaign should be supported by parents, school children, managers, and everyone else in this country.

At the same time, while people are making sacrifices, the TNB and the government must do their best to end the energy crisis quickly because foreign investors and the world community are now watching our efforts to cope with this complicated problem.

4 States Report 147 Cholera Cases

BK1603143693 Kuala Lumpur Radio Malaysia Network in English 1300 GMT 16 Mar 93

[Text] A total of 147 people in four states are reported to be suffering from cholera. The disease has claimed the lives of two persons, a 17-year-old boy and a 23-year-old woman in Kelantan where the latest case was reported yesterday in Tanah Merah, bringing to 49 the number of victims in the state so far this year. Two more students of the Raja Perempuan Ta'ayah Secondary School in Ipoh are today confirmed to be suffering from the disease, bringing to three the confirmed cases in Perak. Sabah reported 75 people as having contracted the disease so far this year, with 25 of the cases in Sandakan and 15 in Kunat. [Word indistinct] cases were reported today in Perlis where 20 victims are in the Kungai General Hospital.

Cambodia

Ranariddh, Son Sann Unwilling To Accept Poll Results

BK1303082393 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 12 Mar 93

[Text] At the Supreme National Council [SNC]'s 9 March session on arranging a neutral political atmosphere in Cambodia, representatives of the factions of

His Excellency [H.E.] Son Sann and Prince Norodom Ranariddh expressed concern over the continuing cruel, politico-terrorist acts, including the assassinations of members of various political parties, especially from the Buddhist Liberal Democratic Party and the FUNCINPEC Party, which have taken place since the beginning of the poll registration in October 1992.

The representatives said that they could not accept the results of the elections to be organized by UNTAC [UN Transitional Authority in Cambodia] in such a situation.

The representative of Prince Norodom Ranariddh have expressed the view that UNTAC has time and again promised to take measures to cope with the politico-terrorist acts committed by the Yuon [Vietnamese] and their puppets. However, until now, those have been just empty promises—no concrete actions have been taken. This was the reason why we lost hope in the UNTAC. People were of the opinion that Cambodia fell short of a neutral political atmosphere because the UNTAC chief, together with the Yuon aggressors and their puppets, did not implement the Paris agreement. The actual deeds were:

1. He did not verify the withdrawal of all categories of Yuon aggressors from Cambodia. The old Yuon forces are still in Cambodia and more newcomers are flowing into Cambodia. By now, there are 2.4 million of them. The UNTAC chief has passed a law allowing the Yuon to stay in Cambodia and have the right to vote, while refusing the same right to Cambodian residents abroad. UNTAC together with the Yuon and their puppets have issued Cambodian identity cards for Vietnamese nationals. By now, 1.3 million of them are already registered in UNTAC electoral list.

2. UNTAC chief, the Yuon aggressors, and the Yuon puppets have refused to give the SNC any role. The UNTAC chief did not take over the five key ministries; thus, the Yuon puppet regime and the Yuon themselves are still controlling Cambodia and the Cambodian people.

These are the reasons why the Yuon and their puppets act so arrogantly and commit all kinds of cruel terrorist acts, massacring the Cambodian people and members of various political parties.

The Yuon and their puppets have continued these activities unendingly because UNTAC has colluded with them and prepared an election to allow the Yuon and their puppets to extend their legal control of Cambodia.

Mr. Akashi's promises are just empty ones. He promised to take this and that measure to resolve this problem; but this promise seems to be as useless as ever.

Government Denies Threatening UNTAC's Falt

BK1703125393 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1100 GMT 17 Mar 93

[“Statement of the Government”—read by announcer]

[Text] Lately, a systematic campaign has taken place to belittle the State of Cambodia [SoC] Government's prestige through the offices of some Cambodian and foreign personalities, some UNTAC [UN Transitional Authority in Cambodia] officials, some political parties that are steadily losing ground, and a number of journalists who are seeking sensationalism rather than sticking to their own professional consciences.

Recently, the news agency AP quoted by the Thai paper THE NATION carried a fabricated story alleging that an official of the Phnom Penh administration had threatened [UNTAC spokesman] Eric Falt, and this report led to the issuance of a strongly worded statement by the special envoy of the UN Secretary-General—a story which might cause some confusion among public opinion both inside and outside the country and might enable a number of political parties to take advantage and make political gains at the expenses of the government.

The Government of the SOC firmly rebuts such a misleading report, and categorically condemns all attempts to harm the lives and security of UN and NGO [Nongovernmental Organization] officials as well as the lives and security of all individuals, be they Cambodians or foreigners, who reside in the territory of the SOC.

It should be recalled that during the meeting of the Supreme National Council of Cambodia in Beijing of the PRC on 28 February 1993, the SOC faction strongly supported the proposal by the representatives of the five permanent members of the UN Security Council urging all Cambodian factions to condemn any politically motivated acts of violence and asking that the lives of UNTAC officials be guaranteed.

As a matter of fact, to date, it is the Cambodian People's Armed Forces which have been providing protection for all UNTAC operations and it is the SOC Government which has accorded UNTAC all kinds of amenities for it to carry out its mission in Cambodia, such as radio stations, television programs, communications, and more than 1 million square meters of building space for UNTAC personnel to use free of charge.

One must be realistic and admit that it is this cooperation of the SOC Government that constitutes the key to the success of UNTAC in implementing all the Paris accords on the settlement of the Cambodia problem.

The SOC Government stresses that only its government spokesmen have the right and competence to declare the stand of the government. One should have the honesty to avoid creating intentional misunderstandings by attributing the deeds or remarks of an individual to the acts of the entire government.

Once again, the SOC Government would like to reaffirm its determination to strictly implement the Paris accords and to closely cooperate with UNTAC within the framework of the law and sovereignty of the Cambodian nation in order to advance toward a lasting peace, something that every Cambodian wishes to have.

Phnom Penh, 17 March 1993

Hun Sen Visits Prey Veng, Discusses Elections

*BK1803073993 Phnom Penh Samleng Pracheachon
Kampuchea Radio Network in Cambodian 0430 GMT
18 Mar 93*

[Text] On the morning of 15 March, His Excellency [H.E.] Hun Sen, chairman of the State of Cambodia [SOC] Council of Ministers, and his wife, accompanied by H.E. General Sin Song, minister of national security; Nhim Vanda, trade minister; and leading officials from various establishments, visited officials, cadres, and personnel of the Prey Veng provincial administration.

Yut Phuthang, chairman of the Prey Veng Provincial People's Committee, spoke about the political and economic situation and the people's lives in Prey Veng Province, which has made remarkable progress during the past 14 years. Yut Phuthang also recalled the difficulties of the people during the past two years due to natural disasters which caused food shortages.

Speaking on this occasion, H.E. Hun Sen expressed great regret over the natural disasters taking place in Prey Veng Province which have caused hardship to the people. H.E., the chairman of the Council of Ministers, called on the provincial people's committee and relevant services to urgently assess the food supply situation so that the government can provide timely assistance to our compatriots and people.

Concerning the implementation of the peace agreement in Cambodia, which the four Cambodian parties signed in Paris on 23 October 1991, H.E. Hun Sen stressed that over the past year the CPP has focused on implementing the agreement correctly, no more, no less. The Khmer Rouge side in particular has violated the peace agreement it has signed and has tried to find ways and maneuvers, using various pretexts, to boycott the peace process. The Khmer Rouge have for instance used force to confiscate voting cards from the people to create an impasse before the election.

H.E. Hun Sen stressed that due to this situation, the provincial people's committee, as well as all levels of local state authority, should strive to further cooperate closely with UNTAC [UN Transitional Authority in Cambodia] in their localities to ensure a neutral political atmosphere for the elections to proceed successfully, fairly, and justly in accordance with UNTAC's directive.

Hor Namhong, Swiss Envoy Discuss Khmer Rouge

*BK1803075793 Phnom Penh Samleng Pracheachon
Kampuchea Radio Network in Cambodian 0430 GMT
18 Mar 93*

[Text] His Excellency [H.E.] Hor Namhong, member of Cambodia's Supreme National Council [SNC] and minister of foreign affairs of the State of Cambodia [SOC], on the morning of 15 March received H.E. Ambassador

Gerard Fonjallaz, special envoy of the Swiss Confederation to the SNC, who visited Hor Namhong before departing at the end of his term in Cambodia.

H.E. Minister Hor Namhong cordially welcomed the ambassador and expressed regrets that H.E. Gerard Fonjallaz must leave Cambodia. He highly valued the activities of the ambassador, who has always paid close attention to the Cambodian problem. He wished the departing ambassador success in his new mission to Mexico.

During the talks, the minister and H.E. Fonjallaz exchanged information on the situation in their respective countries. Concerning Cambodia, the minister noted the dangers caused by the Khmer Rouge, who not only have refused to implement the Paris agreement and take part in the elections, but have also sought by all means to torpedo them by launching attacks to expand their territory in order to reduce the number of voters, seizing and destroying voters' cards and committing acts of political violence in SOC-controlled areas by infiltrating their agents everywhere and having them dressed in the uniforms of SoC soldiers to conduct criminal activities and then blame them on the SoC. In so doing, they have tried to provoke confrontations between the SOC and UNTAC [UN Transitional Authority in Cambodia] so they can claim there is no neutral political environment in the country at all.

Asked if there will be a coalition government after elections, the minister said the SOC has kept the door open for cooperation with other political parties. However, he wondered, are the FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] and Son Sann parties ready to part company with the Khmer Rouge?

Regarding his view on the new government, he said it must be strong not only militarily but also economically and socially and must also have a correct political line.

Bank Assures Public of 50-Riel Note's Validity

*BK1603124993 Phnom Penh Samleng Pracheachon
Kampuchea Radio Network in Cambodian 1200 GMT
16 Mar 93*

[Text] The National Bank of Cambodia would like to inform the public that a negative incident has just occurred in the marketplace as a result of hostile forces' instigating the people against accepting the 50-riel denomination in the hope of creating confusion and driving market prices up as part of their economic sabotage scheme. The National Bank of Cambodia would like to assure the public that the 50-riel notes remain valid and legal tender in the marketplace. Anyone who is in possession of 50-riel notes continues to have the right to use this denomination for all transactions with other people as well with the state. Anyone who refuses to accept this denomination and thereby obstructs the circulation of this legal tender is liable for punishment under existing law.

Phnom Penh, 16 March 1993

[Signed] President of the National Bank of Cambodia

Paper Interviews Buddhist Party Chairman

BK1503100593 Phnom Penh KAOH SANTEPHEAP in Cambodian 12 Mar 93 pp 1, 2

[Text] Mr. Son Sann, chairman of the Buddhist Liberal Democratic Party, granted an interview to a representative of KAOH SANTEPHEAP at 0900 on 10 March in an atmosphere of friendship and democracy.

During the interview, his excellency the leader of the famous resistance movement born in Thailand described the noble mission conferred upon him by the Cambodian monarchy. He stressed that after the 1970 coup d'etat, he visited the queen in the Royal Palace. Later, Lon Nol summoned him and gave him a direct warning: To live in peace, do not go to the Royal Palace again.

In 1974 he left Cambodia for France. In 1976 he made the fate of Cambodia known to all in Paris. In 1978 Thailand sent a colonel to negotiate with him in a bid to contain the communists along its border. In July 1979 he came to Thailand and founded the Khmer People's National Liberation Front supported by Thailand and based at the Sok San refugee camp.

He stressed: We want to liberate the country from the Vietnamese but we do not want those whose hands are stained with the people's blood. He boasted: We do everything for the people.

He said that in 1991 he came to Phnom Penh via Pochentong Airport. He said 23 of his party members have been killed and more than a dozen wounded. He added that at first he consulted with all factions in order to reorganize the administration, Army, and police and hand them over to the samdech [Prince Sihanouk] in his capacity as head of state, bringing all four forces under a single command. But the Khmer Rouge disagreed.

He affirmed that the Khmer Rouge have refused to be disarmed and, to get even, the Phnom Penh faction has started an arms buildup.

When KAOH SANTEPHEAP asked how he would revise the ownership issue if he wins the election, Mr. Son Sann said he would follow the Buddha's teachings. Justice should prevail over all undertakings; the National Assembly will make the decision; and the people will reign supreme.

When he wins the election, he will drive out all Vietnamese and will not allow them to live in Cambodia. Anything that belongs to Cambodia will be returned to the Cambodians. Cambodian land must be returned to the Cambodians.

In conclusion, he stressed that he is more than half a century old. In any other country, he would have been retired. Now he is still working, but should the people who are the masters wish to see him retire because he is

already 81 years old, he would retire. It is all up to the masters. He said he likes criticism. He allows free, unrestrained criticism.

The 50-minute interview concluded in a joyous atmosphere.

Indonesia

Suharto Announces New Cabinet 17 Mar

BK1703143993 Jakarta Radio Republik Indonesia Network in Indonesian 1230 GMT 17 Mar 93

[17 March Announcement by President Suharto on New Cabinet at Merdeka Palace in Jakarta—live]

[Excerpts] In the name of Allah the Merciful and the Compassionate, honorable journalists, my fellow countrymen: peace be upon you.

Tonight, I will announce my first step after my election by the People's Consultative Assembly [MPR] as president of the Republic of Indonesia on 11 March 1993. This pertains to the composition of a cabinet that I will lead. [passage omitted]

The cabinet under my leadership will strictly adhere to Pancasila as the ideological foundation, the 1945 Constitution as the constitutional foundation, and the 1993 Broad Outline of State Policies to be implemented during the Sixth 5-Year Development Plan and other MPR resolutions in force from 1993 to 1998, including MPR Resolution No. 2/MPR/1978 on Guidelines on the Perception and Implementation of Pancasila or Eka Prasetya Pancakarsa as the operational foundation.

By understanding these foundations, seriously attending to the people's hopes and wishes, and perceiving the spirit of the recent MPR General Session, I define the main duties and target of the cabinet in the next five years as follows:

1. To continue, enhance, deepen, and broaden national development as a means to implement Pancasila on the basis of the trilogy of development and the archipelagic concept to enhance national resilience and self-reliance.
2. To enhance national discipline to be pioneered by the state apparatus with a view to establishing a clean and authoritative government that will render services to the Indonesian people.
3. To institutionalize the mechanism of national leadership on the basis of the 1945 Constitution, the Pancasila ideology, Pancasila Democracy, and the Eka Prasetya Pancakarsa in state, national, social life.
4. To implement a free and active foreign policy based on the principles of peaceful coexistence in bilateral, regional, and global relations for the sake of national development.

5. To hold a direct, general, free, and confidential general election in 1997.

These duties are known as Panca Krida Kabinet Pembangunan [Five Duties of the Development Cabinet] and I name the cabinet the Sixth Development Cabinet. [passage omitted]

In accordance with the constitutional provisions, the vice president is an assistant to the president. In this regard, I assign the vice president to plan and conduct supervision. Both internal and external supervision must be continuously enhanced until it is institutionalized. The internal supervision to be conducted by the vice president is to reach the first echelon of departments, offices of state ministers, and nondepartmental government agencies. In addition, the vice president is assigned to supervise large projects. Serious attention must be paid to ensure that external supervision proceeds in addition to internal supervision. For this purpose, the vice president's office will accommodate all kinds of information from the general public and subsequently process and use them as a resource for necessary measures. Supervision is necessary to improve government control and the implementation of development programs in general, and to prevent and suppress abuse of power, wastage, and misappropriations.

The full composition of the Sixth Development Cabinet is as follows:

Minister of Home Affairs, Yogi S. Memet;
Minister of Foreign Affairs, Ali Alatas S.H. [Master of Law];
Minister of Defense and Security, General Edi Sudrajat;
Minister of Justice, Haji [Islamic title] Utoyo Usman S.H. [Master of Law]
Minister of Information, Haji Harmoko;
Minister of Finance, Drs. [Master of Arts] Mari'e Muhammad;
Minister of Trade, Prof. Dr. Satrio Budiarjo Yudono;
Minister of Industry, Ir. [Master in Engineering] T. Ariwibowo;
Minister of Agriculture, Dr. Ir. Syarifudin Baharsyah;
Minister of Mining and Energy, I.G. Sujana;
Minister of Forestry, Ir. Jamaludin Suryohadikusumo;
Minister of Public Works, Ir. Radinal Mokhtar;
Minister of Communications, Dr. Haryanto Danudirto;
Minister of Tourism, Post, and Telecommunications, Joop Ave;
Minister of Cooperatives and the Upbringing of Small Businessmen, Drs. Subiyakto (Cakrawerdya);
Minister of Manpower, Drs. Abdul Latif;
Minister of Transmigration and Forest Settlements, Ir. Siswono Yudohusodo;
Minister of Education and Culture, Dr. Ir. Wargiman Joyomegoro;
Minister of Health, Prof. Dr. Suyudi;
Minister of Religious Affairs, Dr. Tarmizi Taher;
Minister of Social Affairs, Mrs. Dra. [Master of Arts] Endang Kusuma Intan Suweno.
Minister/State Secretary, Drs. Murdiono;

Minister of State and Cabinet Secretary, Drs. Saadillah Mursyid MPH [Master of Public Health];

Minister of State for National Development Planning and Chairman of the National Planning Development Board, Ir. Drs. Ginanjar Kartasasmita;

Minister of State for Research and Technology, Chairman of the Board for Technological Application and Research, and Head of the Strategic Industrial Board, Prof. Dr. Ir. B.Y. Habibie;

Minister of State for Food Affairs and Head of the Logistics Board, Prof. Dr. Ibrahim Hassan;

Minister of State for Population and Head of the National Family Planning Board, Dr. Haji Haryono Suyono;

Minister of State for Investment and Chairman of the Investment Coordinating Board, Ir. Sanyoto Sastrowardoyo;

Minister of State for Agrarian Affairs and Chairman of the National Land Agency, Ir. Sonny Harsono;

Minister of State for People's Housing, Ir. Akbar Tanjung;

Minister of State for Environment, Ir. Sarwono Kusumaatmaja;

Minister of State for Women's Affairs, Mrs. Mien Sugandhi;

Minister of State for Youth and Sports, Haryono Isman;

Minister of State for Administrative Reform, T.B. Silalahi;

Coordinating Minister for Economics, Finance, and Industry and Development Supervision, Prof. Dr. Saleh Afiff;

Coordinating Minister for Industrial and Trade Affairs, Ir. Hartarto;

Coordinating Minister for Politics and Security, Susilo Sudarman;

Coordinating Minister for People's Welfare, Ir. Azwar Anas.

In addition, there are state officials accorded ministerial ranks. They are:

Governor of Bank Indonesia [Central Bank], Dr. J. Sudrajad Jiwandono;

Commander of the Armed Forces of the Republic of Indonesia, General Edi Sudrajat;

Attorney General, Singgih S.H.

I will swear in the ministers of the Sixth Development Cabinet, the attorney general, and the governor of Bank Indonesia on 19 March 1993. Thank you and peace be upon you again.

Energy Minister Urges Lower OPEC Output

BK1703081393 Jakarta SUARA PEMBARUAN in Indonesian 4 Mar 93 p 9

[Text] Jakarta, 4 Mar—Minister of Mines and Energy Ginanjar Kartasasmita has disclosed that Indonesia is ready to reduce its oil production to 57,000 barrels per day according to OPEC's production allocation.

Ginanjat told **SUARA PEMBARUAN** in Jakarta recently that being a member of OPEC, certainly Indonesia will continue to lend support to the implementation of new production quotas that were agreed upon at the OPEC meeting in February 1993. As of 1 March 1993, the new quota was 23,502 million barrels per day total production from all OPEC member countries. Indonesia received an allocation of 1,317 million barrels per day compared to the previous rationing of 1,374 million barrels.

He said that all member countries of OPEC should take advantage of the production quotas so oil prices will be allowed to increase. However, we do not expect a sharp increase in oil prices because that would weaken the world economy, which eventually would negatively affect oil producing countries.

Ginanjat is optimistic that oil prices will recover soon if OPEC member countries strictly observe the production quotas. "Only OPEC has the bad habit of being united in decreasing oil supply when the price declines, while when oil prices soar, OPEC increases oil production until prices decline again. Hopefully this will not happen," he said. Ginanjat expects oil prices to reach US\$18 per barrel.

Laos

Leaders Receive New Japanese Ambassador

BK1303124293 Vientiane KPL in English 0856 GMT 13 Mar 93

[Text] Vientiane, Mar 13 (KPL)—Phoun Sipaseut, deputy prime minister in charge of foreign affairs, yesterday afternoon, received the new Japanese ambassador to Laos, H.E. [His Excellency] Masao Wada.

Phoun Sipaseut congratulated the new ambassador for having been appointed to the post and hoped that during his tenure the ambassador would successfully expand the long-standing relations of friendship and cooperations between Laos and Japan.

In the afternoon of the same day H.E. Masao Wada also paid a courtesy visit to the minister of information and culture, Mr. Osakan Thammatheva.

The minister of information and culture, yesterday, also met with the ambassador of the People's Democratic Republic of Korea, Mr. Chang Yong-chun.

Both meetings proceeded in a warm and friendly atmosphere.

Saman Vi-gnaket Receives Outgoing Russian Envoy

BK1703092993 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 17 Mar 93

[Text] Yesterday at the National Assembly Hall in Vientiane Capital, Saman Vi-gnaket, chairman of the

National Assembly, received Gueorghi Roudov, ambassador extraordinary and plenipotentiary of the Russian Federation to Laos, who paid him a courtesy call to congratulate him on his election as the new chairman of the National Assembly of the Lao People's Democratic Republic [LPDR].

On the same occasion, the Russian envoy also bade farewell to the National Assembly chairman as he is returning home after the completion of his diplomatic assignment in Laos, which has lasted for more than two years, commencing on 26 December 1990.

Plans To Celebrate Party Anniversary Noted

BK1803061192 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 17 Mar 93

[Text] At the instruction of the Party Central Committee Political Bureau, the Office of the Lao People's Revolutionary Party [LPRP] Central Committee on 15 March issued a news release to secretaries of all party committees, ministries, organizations with status equal to that of a national ministry, Vientiane Municipality, and all provinces throughout the country. The news release concerned the organizing of a celebration of the 38th founding anniversary of the LPRP, 22 March.

The release stresses that the celebration of the occasion should be organized within a certain limit by each party committee and party unit in an orderly and meaningful manner. Celebrations should not be too costly but must guarantee safety and peace and order. Various forms of celebration should be based on actual conditions in each locality. The occasion should also be regarded as an opportunity to organize political training and activities more extensively in order to profoundly observe the principle and virtue of the late President Kaysone Phommavihan. At the same time, the occasion should also provide opportunity for all concerned to gradually encourage successful implementation of the Sixth Resolution of the Fifth Session of the Party Central Committee, including the 1993 annual plan and the 1993-2000 national socioeconomic development plan.

The release also thoroughly advises steps for organizing celebration of the anniversary. For example, first of all, political activities must be appropriately and extensively organized in each party committee and unit by the end of March. After that, similar practices can be expanded to cadres at high, medium, and other levels of cadres, workers, and people of all strata in various ethnic groups.

New District Established in Xieng Khouang Province

BK1803112893 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 17 Mar 93

[Text] In implementation of the decree of the prime minister of the Lao People's Democratic Republic, No. 84/PM dated 8 November 1992, and the announcement of the governor of Xieng Khouang Province, No. 24/XK

dated 19 November 1992, a new district—Tha Thom District—has been officially established. Tha Thom District has been separated from Mok District. It covers 80,080 square kilometers of land with a total population of 10,028. This new district is divided into four administrative zones, namely Tha Viang, Nang Gnao, Tha Thong, and Pak Gngong.

Philippines

Government Seeks To Revive Trade Accord With U.S.

HK1703042593 Manila THE MANILA CHRONICLE
in English 17 Mar 93 p 9

[Report by Lorelei de Belen]

[Text] The Philippine government will try to revive the Trade and Investment Facilitation Agreement (Tifa) it signed with the United States four years ago as part of its efforts to resuscitate the U.S.' waning economic interest in the country.

Trade and Industry Assistant Secretary Edsel Custodio said the TIFA is expected to guarantee a mutual interest on trade and investment issues.

This comes at a time when the U.S.' trade and investment concerns with the Philippines and the rest of its Asia-Pacific trading partners, have taken a back seat as the Clinton administration is busy attending to domestic issues.

Trade Secretary Rizalino Navarro and U.S. Trade Representative (USTR) Mickey Kantor are scheduled to meet in April to discuss a broad range of economic issues including the reactivation of the Tifa.

Tifa, which works as a bilateral agreement, binding both countries to encourage public and private sector participation in trade and investments, was forged during the time of President Corazon Aquino. An annual discussion on the development of the agreement was supposed to have been held.

Custodio said that the last discussion was undertaken two years ago during the tenure of Peter Garrucho but did not elaborate on why the Tifa was not pursued vigorously by the two governments.

Although the U.S.' trade and investment interest in the country seems to have slackened lately, trade officials said the Navarro-Kantor meeting on April 5 is a sign that the U.S. wants to renew economic ties with the country.

USTR Kantor's upcoming discussion with Navarro is his first meeting with a top government official. "The Philippines is the first country to be entertained by the USTR," Custodio said.

The meeting is considered a great deal by trade officials who are bidding for enhanced trade relations with the U.S. especially with the looming threat posed by the North American Free Trade Agreement (NAFTA).

Custodio said Navarro will ask for a wider access to the U.S. market despite the fact that the Philippines has maintained a trade surplus with the U.S.

Investments will also be tackled amid fears that the Nafta will divert foreign capital from other developing countries to Mexico.

Also, Navarro is expected to raise the possibility of the Philippines being removed from the U.S.' 301 watchlist of intellectual property rights (IPR) violators.

Custodio said that in the first place, Kantor's decision to meet Philippine representatives ahead of the other countries has stemmed from Navarro's letter concerning IPR to Kantor which "struck a positive note with him."

The DTI [Department of Trade and Industry] is organizing a mission composed of U.S. book publishers to the Philippines to convince them that the country "is a good place to print books for regional distribution."

The plan to get the book publishers to print materials here should boost the country's standing on IPR.

Custodio said that the DTI will also discuss with the business software alliance in the U.S. its proposal to lower computer software prices to "third world" level.

Other economic agenda expected to be discussed during the DTI-USTR meeting are the extension of the general system of preference (GSP) privilege that the U.S. gives to local exports, to be bilateral garment agreement and developments in the General Agreement on Tariff and Trade (GATT).

Ramos Designates New Ambassador to Washington

HK1803023493 Manila DWIZ Voice of the Filipino
People's Radio in Tagalog 2200 GMT 17 Mar 93

[Text] The Philippines reportedly has a new envoy to Washington in the person of Ambassador Raul Rabe, formerly ambassador to Seoul, South Korea. Rabe replaces former Ambassador Pablo Suarez. A Department of Foreign Affairs official made the announcement to follow up Foreign Affairs Secretary Roberto Romulo's earlier statement that President Fidel V. Ramos had already nominated somebody for the U.S. post, without mentioning who the envoy would be. The official added that Ramos has great confidence in Rabe's capability due to his extensive experience in Philippine-U.S. relations.

Police Force on 'Red Alert' for NPA Anniversary

HK1803023093 Manila DWIZ Voice of the Filipino
People's Radio in Tagalog 2200 GMT 17 Mar 93

[Text] Raul Imperial, Philippine National Police (PNP) director general, has placed the whole police force on red alert to anticipate any possible plans of the New People's Army (NPA) to cause violence on their 24th anniversary on 29 March. The PNP earlier received an intelligence report that there is a major possibility that the NPA

might launch terrorist attacks against vital installations in the country as part of their anniversary celebration. Imperial added the Kabataang Makabayan [Nationalist Youth], the NPA youth sector, will reportedly stage a large rally in Manila a week before their anniversary.

Senate Approves Amnesty for Over 4,000 Rebels

HK1603012493 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 15 Mar 93

[Text] The Senate has approved a bicameral committee report which recommends the granting of unconditional amnesty to more than 4,000 rebels.

The Senate also approved the committee's recommendation for President Fidel V. Ramos to form a group to handle those who wish to make use of the amnesty program, as well as those who committed specified crimes whom the committee recommended to be eligible for the amnesty program. Only those rebels whose crimes were committed against the government can make use of the amnesty which the president proposed last year as a confidence-building measure for the peace talks.

MNLF, MILF To Combine Forces Against Government

HK1803095693 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 18 Mar 93

[Text] Leaders of the two biggest Muslim rebel groups plan to combine their forces to strengthen their armed operations against the government, according to a top secret intelligence report.

The document said the military has monitored the negotiations between the Moro National Liberation Front [MNLF] and the Moro Islamic Liberation Front [MILF] on the two groups combining their forces before launching a new offensive in Mindanao.

The report also said the discussions centered on what role each group would play, amid proposals to divide the work between political and armed or military operations. According to the proposals, the MNLF would concentrate on armed struggle while the MILF would be responsible for political activities.

MNLF has 3,278 members carrying more than 2,000 arms, while the MILF has 3,444 armed members, including 1,000 new recruits who finished their training recently at Camp Abubakar in Barira, Maguindanao.

Rift Between Communist Rebel Leaders Reported

HK1703120793 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 17 Mar 93

[Text] Philippine National Police intelligence operatives have discovered that in the Bicol region New People's Army [NPA] rebels are allegedly preparing to spread violence on their forthcoming 24th anniversary on 29 March. The rebels are also said to have scheduled a

plenary session in order to propagate their plan to re-convert members who have broken away from them. In Mindoro Island, the NPA rebels are preparing their terroristic activities against police personnel and detachments.

It is also reported that there has occurred a rift between high-ranking leaders of the Communist Party of the Philippines [CPP]-NPA, followed by the refusal of CPP Chairman Jose Maria Sison to once more hold a plenary session for the election of CPP-NPA leaders.

Muslim Rebels Support Mindanao Candidate

HK1503054093 Quezon City ABS-CBN Broadcasting Corporation DZMM in Tagalog 0400 GMT 15 Mar 93

[Text] The Moro National Liberation Front [MNLF] and the Moro Islamic Liberation Front [MILF] have expressed their support for former Ambassador Luningning Pangandaman's candidacy in the coming Autonomous Region of Muslim Mindanao gubernatorial elections. Pangandaman is the official candidate of the Strength-National Union of Christian Democrats-UMDP-OMPIA [expansion unknown] coalition. The endorsement was given by Monica Dimapulung, alias Commander Kathleen, saying that both the MILF and the MNLF have great faith in Pangandaman's ability to work for the development of the Mindanao region. Earlier, Dimapulung negotiated for the surrender of three top MILF officials who wanted to participate in the government's amnesty program.

Central Bank Cuts Export Credit Rediscount Rate

HK1703052693 Manila MANILA BULLETIN in English 17 Mar 93 p B1

[Text] Cheaper loans can be made available to exporters in the wake of a Monetary Board [MB] decision cutting the rediscounting rate on export credit of the Central Bank [CB] by 150 basis points from 14.3 percent to only 12.8 percent. It was explained that the CB policy-making body decided to bring down the rediscounting rate last Monday [8 March] in line with the deceleration in interest rates brought on by various factors, most notably the reduction of the reserve requirement on bank deposits last month from 25 to 24 percent. "This move was in keeping with the policy of aligning the rates on CB facilities more closely with market rates," CB said.

In the past two weeks, the composite average rate on high-yielding government securities continued to taper off from 13.752 percent to 13.388 percent, the lowest since 1988. Normally, the banking industry sets the rate on peso borrowings according to the average yield of Treasury bills.

The general "softening" of interest rate pressures on the market would warrant a corresponding downward adjustment in the rediscount rate, the CB said. CB also estimated that commercial banks could now afford to lend funds to exporters at a relatively lower cost as a

result of the reduction in the rates of CB rediscounting rate. CB stressed that this reduction in the reduction rate to 12.8 percent was in line with its commitment to "increase assistance" to the export sector.

It would be recalled that exporters had been crying for assistance from the economic authorities due to the continued appreciation of the peso against the U.S. dollars in August last year. The peso at that time continued to climb against the greenback as a result of the decision of the MB to deregulate foreign exchange transaction last year.

With the reduction, CB projected that exporter-borrowers would be able to increase their "profit-ability and competitiveness in the world market. Moreover, the CB noted that the marginal cost of banks, indicated by the weighted average of the New Manila Reference rate of 90 days for the past four weeks immediately preceding the applicability period, had generally dropped from a high of 17.5 percent in January 1992 to 13.8 percent last December. Also, the computed rate remained unchanged at 13.8 percent last January but fell steadily to 12.8 percent this month.

Government Said Open To Using Nuclear Power

HK1703041693 Quezon City MALAYA in English 17 Mar 93 p 2

[Report by Carlito Pablo and Ellen Cruz]

[Text] Two Cabinet officials yesterday said government remains open to the use of nuclear power as an "environmentally benign" energy source despite its decision to mothball the Bataan Nuclear Power Plant [BNPP].

Foreign Secretary Ricardo Romulo, in a speech read for him by Undersecretary Federico Macaranas at a working group meeting of the Vienna-based International Atomic Energy Agency in Manila, said: "We believe that nuclear power will eventually be harnessed for Philippine national development with or without the Bataan Nuclear Power Plant.

Science and Technology Secretary Ricardo Gloria for his part said government is seriously considering nuclear power as an alternative source of energy.

Speaking in the same forum, Gloria said the DOST [Department of Science and Technology] is now conducting a study on nuclear power development in the country, and its social and political impact.

Romulo said more countries in the Asia-Pacific region are turning to nuclear energy, leaving behind the Philippines.

"More and more nations are turning to nuclear power which is considered an environmentally benign source of energy with relatively lower risks to the public and the environment than fossil fuels," he said.

Romulo said while the number of nuclear power plants in the United States and other European countries have been mothballed Asia-Pacific countries are increasing activity in this field.

Among members of the Association of Southeast Asian Nations, Thailand is planning to put up six power plants, Indonesia, 12, and Malaysia, one.

Romulo said China and Pakistan, each of which has a nuclear power plant, are planning to put up more. Japan alone has nine, India, seven, and South Korea, nine.

Dr. Carlito Aleta, director of Philippine Nuclear Research Institute, said that nuclear power is the "energy of the future". He said that even if the government loses in the ongoing litigation in the U.S. of the case against Westinghouse, builder of the BNPP, the government should decide once and for all on what to do with the plant.

Thailand

Official: U.S. Drug Patent Demands Unacceptable

BK1803031193 Bangkok THE NATION in English 18 Mar 93 p B2

[Text] Karun Kittisatthaphon, director-general of the Office for Coordination of International Economic Affairs, said yesterday that it is unlikely the Thai Government would amend the patent law to accommodate US demands for pipeline protection of drug patents before the conclusion of the Uruguay Round of multi-lateral trade talks.

Karun said the Thai Government might instead extend the protection on new drugs under the safety monitoring process, granting a two-year protection period for new drugs. During this period the Thai authorities would monitor the safety of the drugs. Following that, other companies could seek permission from licence holders to produce the drugs.

The government may extend the safety monitoring period to offer longer protection to new drugs. This extension would need no legal amendment, he said.

Karun said Thailand will have to wait for the outcome of the Uruguay Round of the General Agreement on Tariffs and Trade (GATT) before considering amendments to the patent law. He ruled out the possibility of an amendment ahead of the conclusion of GATT.

Deputy Prime Minister Suphachai Phanitchaphak said on Tuesday that the government would be "more flexible" in handling the pharmaceutical protection issue. Karun said if there was any increased flexibility from the Thai side it should be within the country's current legal framework.

A Thai Food and Drugs Administration official said the US demand for protection of drugs in the pipeline is unfair to its trading partners. Pipeline protection has long been a contentious issue between the Thai and US authorities.

Minister Discusses Talks With U.S. Administration*BK1803121393 Bangkok Radio Thailand Network in Thai 0530 GMT 18 Mar 93*

[Text] Speaking during an interview with the Thai Information Service in Washington D.C., Deputy Prime Minister Amnuai Wirawan said that, during his visit to the United States on 15-16 March, he had opportunities for discussions with several leaders in the new U.S. administration, including Vice President Albert Gore. He said they exchanged views on the policies to be implemented by President Clinton's administration.

The United States expressed its readiness to support Thailand economically and to promote the liberalization of global trade through GATT [Generalized Agreement on Tariffs and Trade] talks. A major concern for the United States in Asia is the problem of peace in Cambodia since there could be a serious conflict again as a result of the Khmer Rouge refusing to take part in the May general election. The deputy prime minister assured the U.S. leaders that Thailand, under the leadership of Prime Minister Chuan Likphai, would try its best to promote peace in the region. They also exchanged views on the role of China, with its growing economic development and expansion.

The United States stressed that its most important concern is to solve domestic economic problems. The United States wishes to get cooperation from other countries, including Thailand, in order to boost free trade and to open up markets for goods from the United States for free competition with no trade protectionism. Concerning the issue of intellectual property rights, the deputy prime minister explained to U.S. leaders that Thailand had been doing its best to crack down on piracy. On the problem of human rights regarding labor unions, he said the government would soon propose to the parliament a draft bill which will take into account the aspects of the rights, freedom, and welfare of workers of the state enterprise sector.

Deputy Prime Minister Amnuai noted that the exchange of views allowed both sides to have a better understanding of their respective efforts toward serving the long-term interests of both countries. Measures will be implemented at the official level to this effect.

Deputy Premier Visits UK on Economic Mission*BK1303072493 Bangkok Radio Thailand Network in English 0000 GMT 13 Mar 93*

[Text] Thailand has called on Britain to render more economic cooperation. Deputy Prime Minister Suphachai Phanitchaphak has been on a visit to Britain to promote bilateral economic ties. Mr. Suphachai met British Trade and Industry Minister Michael Hezeltine and asked Britain to help maintain Thailand's canned fish import quota in the European Community market. The EC is now reviewing quota of Thai canned tuna,

based on the argument that fish is not caught in Thai territorial water. The British minister has agreed to help solve the problem.

Mr. Suphachai, in his discussion with the British trade and industry minister, also asked Britain to jointly invest in many projects in Thailand in which Britain has shown interest. During his seven-day visit from 6 to 12 March, the deputy prime minister has also met British entrepreneurs of large-scale industries, such as in construction and car manufacturing. He has urged them to invest in Thailand to exploit the markets in Indochina and China in the future. Mr. Suphachai has urged Britain to recognize Thailand's role in the development of Southeast Asia and assured British authorities that more British investment in Thailand would [word indistinct] Britain's trade expansion throughout the countries in the region.

Oil Traders Circumvent Ban on Khmer Rouge Trade*BK1803025993 Bangkok THE NATION in English 18 Mar 93 p 1*

[Text] Sisaket—Thai traders continue to defy the UN oil sanction against the Khmer Rouge by smuggling petrol from this northeastern province through a border check-point into a Khmer Rouge-controlled area, informed sources here said.

Villagers in the border area told THE NATION that they saw oil trucks arriving very frequently at night and crossing into Cambodia through Ban Saephai of Tambon Huaimon in Phusing sub-district.

They said the check-point was manned by a few soldiers from a special army task force attached to the Surin-based Suranari Unit. Governor Uthaiphan Sanguansoemsi of Sisaket said provincial authorities had no control over the check-point.

"The area is under the control of the army," he said.

The sources said on Feb 20 police stopped two 15,000 litre oil trucks as they were about to enter Cambodia. Governor Uthaiphan confirmed the seizure of the oil trucks but said he had no details.

The United Nations imposed the oil embargo on the Khmer Rouge in January this year in a futile bid to force the Marxist group to return to the peace process.

Villagers said logs felled in the Khmer Rouge-controlled area were normally brought into Thailand through the same check-point before the Supreme National Council in Phnom Penh put a ban on timber export. The governor said some provincial assemblymen had during a recent meeting expressed their suspicion of collusion between oil traders and some local army officers.

"The assemblymen took note of the small presence of soldiers in the border area," he said.

In nearby Ubon Ratchathani, Thai businessmen are reportedly circumventing the ban on Cambodia's log export by bringing in timber from that country through Laos.

Witnesses and customs officials said the Cambodian timber was moved into Ubon Ratchathani from Laos through the Chong Mek check-point. Customs officials said since the logs were certified as having originated in Laos they could not stop their shipment.

Local authorities in Sisaket also disclosed that the Khmer Rouge still retain strong influence in areas around the famous Phra Vihear historic ruins. They said the protection money paid to the Khmer Rouge was deducted from admission fees charged on visitors.

Visitors normally have to pay double admission fees—Bt25 to the Thai authorities and another Bt35 to authorities of the Phnom Penh government, guarding Khao Phra Vihear. Foreign visitors are charged a total of Bt200.

The authorities said though the Phnom Penh soldiers are in control of the historic site, Khmer Rouge guerrillas are active in the area.

"We have to divert part of the revenue from the admission fees to the Khmer Rouge to ensure the safety of tourists visiting the site," said one of the authorities.

Governor Uthaiphan said since Phra Vihear, which is accessible only from the Thai side, was opened to tourists in February last year, provincial authorities have collected more than Bt2 million in admission fees.

Officials: Thai-Lao Ties Not Affected by Firing

BK1803074893 Bangkok Radio Thailand Network in English 0000 GMT 18 Mar 93

[Text] Border shooting incident in Chiang Rai has been dismissed by high-ranking Thai officials who reaffirmed good understanding and close relations between Thailand and Laos.

Permanent Secretary for Interior Anan Anatnakun says that the two countries maintain close and cordial ties. Thailand has not given support to rebel minority groups to fight against the Lao Government as mentioned in press reports. He says the shooting at the Thai-Lao border in Chiang Saen District in the northern province of Chiang Rai will not lead to conflicts as it was an isolated incident. Mr. Anan says that Thailand and Laos have good understanding at both local and national levels.

Minister of Interior General Chawalit Yongchit also confirmed that Thailand and Laos have maintained good relations at all levels. The minister last month paid a visit to the Lao People's Democratic Republic to discuss bilateral relations between the two countries.

Lao Counterfeiters To Remain in Jail

BK1403015893 Bangkok THE NATION in English 14 Mar 93 p A2

[Text] Two Lao men serving a jail term in Chiang Rai for trading in counterfeit currency will not be released despite threats made by Laotian gunmen, a senior provincial police officer said yesterday.

Chiang Rai provincial deputy police chief Pol Lt Col [Police Lieutenant Colonel] Suraphon Khochoomsawat said the court had already ruled on the case and the two men could not be released under any condition until their jail terms are completed.

He said armed Laotians had offered Bt[baht]25,000 for their release.

The gunmen also threatened to burn down a border patrol police headquarters and to launch a terrorist campaign in the area, according to local officials.

Suraphon said they had finally withdrawn from an area opposite Chiang Rai's Thoeng district on Friday.

The prisoners, Chaikham and Sivongchai Sae Tho, were arrested in Thailand last year and sentenced in November to six-year prison terms.

They were apprehended by police in possession of 25 fake Bt500 notes and some forged US dollar bills.

Suraphon said one of them is a relative of a leader of the gunmen.

He said border patrol police and the army were keeping a close watch along the border.

On Friday, Chiang Rai Governor Khamron Bunchoet told a press conference that Laotian authorities had reported that the men were not Laotian soldiers, as they had earlier claimed.

Burmese Troops Release Villagers for Ransom

BK1603012593 Bangkok BANGKOK POST in English 16 Mar 93 p 3

[Text] Tak—Burmese troops yesterday released two Thai villagers held 11 days in captivity after their relatives put up the 13,624 baht ransom demanded by the captors.

The two villagers, Ta Kwanmano, 28, and Muangkham Kuna, 26, were arrested by the Burmese 356 Light Infantry Regiment on March 5 when they crossed the border into Burma while hunting birds opposite tambon Maela of Tha Song Yang district.

Lt Col Suwit Maenmuan, commander of Task Force 34, led a group of 7 Thai officials to receive the two villagers a Myawadey at 6.30 p.m.

Meanwhile, an earlier attempt at 10 a.m. yesterday failed after Lt Col Tun Tun Lay, the Burmese commander of

the 347 Light Infantry Regiment, insisted on a ransom payment of 8,000 baht for the release of each villager, according to a source.

Mr Bunphan Upla, kamnan of tambon Maela later joined the negotiations and managed to persuade to the Burmese to bring the ransom down to 6,1812 baht per head.

Deputy Foreign Minister Comments on African Tour

BK1603074093 Bangkok Radio Thailand Network in English 0000 GMT 16 Mar 93

[Text] Deputy Foreign Minister Surin Phitsuwan said upon his return from Africa on Sunday that his visit emphasized Thailand's recognition of African countries and her intention to expand bilateral relations.

Mr. Surin and his party spent 13 days visiting three African countries—South Africa, Kenya, and Tanzania. His visit aimed at seeking gemstone sources and labor market for Thailand there. Mr. Surin said during his visit, an aviation agreement was signed with South Africa. Thai Airways International will consider the destinations in South Africa to be flown to. He said Thailand has also agreed with Kenya on direct trade bypassing the Middle East, and also on avoidance of double taxation. The trip to Africa by the deputy foreign minister is also aimed at asserting Thailand's readiness to take up the chairmanship of the Association of South-east Asian Nations or ASEAN with significant roles in the world political and economic arena from 1 July this year onward.

Vietnam

Foreign Minister Urges Sihanouk, Akashi Act on Killings

BK1803153193 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 18 Mar 93

[Text] Pursuant to the Vietnamese Foreign Ministry's 11 March 1993 statement condemning the Democratic Kampuchean faction for its brutal killing of Vietnamese nationals in Cambodia, Foreign Minister Nguyen Manh Cam on 16 March 1993 sent an urgent letter to Prince Sihanouk, president of the Supreme National Council of Cambodia [SNC], in which he pointed out:

The Khmer Rouge are escalating their crimes from various directions and posing a threat to the lives and property of Vietnamese nationals in Cambodia. Faced with this danger, we urgently call on the Cambodian parties concerned, the SNC, the UNTAC [United Nations Transitional Authority in Cambodia], and the world community to take drastic measures to avert the brutal killing of Vietnamese nationals and to protect their peaceful life and legitimate interests in accordance with the spirit of the Paris agreement and other international documents on human rights.

It is earnestly hoped that in your capacity as the president of the SNC and with your great prestige and influence, your excellency the prince will direct the SNC to take urgent, drastic, and effective measures to protect Vietnamese nationals in Cambodia. This is to demonstrate your goodwill and the spirit of a joint declaration which I had the honor of being a co-signer with you in January 1992.

On the same day, the Vietnamese foreign minister also sent an urgent letter to his excellency Yasushi Akashi, chief of the UNTAC, in which he said:

Faced with the danger of the Khmer Rouge escalating their crimes, the SRV government urgently requests that UNTAC, with its functions and authorities already stipulated in the Paris agreement, uphold its responsibility by taking urgent and effective measures to stop the brutal killing of Vietnamese nationals and protect their peaceful life and legitimate interests in accordance with the spirit of the Paris agreement as well as other international documents on human rights.

Authorities Foil 'Anti-Government' 'Bombing Campaign'

BK1803102493 Hong Kong AFP in English 1016 GMT 18 Mar 93

[Text] Hanoi, March 18 (AFP)—Vietnamese security forces have arrested several people and seized a large quantity of explosives in Ho Chi Minh City, foiling a bombing campaign by anti-government forces, diplomatic and Vietnamese sources said Thursday. The search operation was triggered by the arrest two weeks ago of an overseas Vietnamese man in possession of explosives at the southern city's Tan Son Nhat Airport, the sources in Ho Chi Minh City and Hanoi said. Vietnamese officials and the state-controlled press have been silent on the arrests.

Radio Continues To Denounce Khmer Rouge's 'Massacre'

BK1703133093 Hanoi Voice of Vietnam in English 1000 GMT 17 Mar 93

[Station commentary]

[Text] The spokesman for the UN Transitional Authority in Cambodia [UNTAC] Eric Falt said that UNTAC investigation has established that troops of the Democratic Kampuchea known as the Khmer Rouge faction was responsible for the massacre of 33 Vietnamese nationals in the Cambodian Province of Siem Reap on March 10. Following is our radio opinion on the issue:

The world already knew what has been contributed by UNTAC concerning the massacre of 33 Vietnamese nationals in Cambodia recently. The Khmer Rouge's brutal killing of women and children is just a repetition of what they did during the genocidal period under their

rule from 1975 to 1979 and [words indistinct] their massacre of Vietnamese people.

People around the world feel the massacre of these Vietnamese people is now a normal practice for the Khmer Rouge. World leaders, especially from the United States and China have come out to denounce this barbarous act. Prince Norodom Sihanouk once strongly condemned this racial discrimination, first of all the massacre of foreigners and ordinary Cambodians.

If the international community does not prevent such brutal act against Vietnamese nationals, Cambodia will become a new killing field.

Asia Watch Delegation Concludes Visit 17 Mar

BK1703143593 Hanoi VNA in English 1426 GMT 17 Mar 93

[Text] Hanoi VNA March 17—A delegation of Asia Watch led by Ms. Sidney Jones, its executive director, ended a ten-day visit to Vietnam today. The visit aimed to inquire into Vietnam's renovation policy, and the legislation and execution of the laws relating to human rights in Vietnam. While here the delegation met with representatives of concerned offices such as the Ministry for Foreign Affairs, the Ministry of Justice, the Ministry of Interior, the Supreme People's Inspectorate, the Commission for Religious Affairs and the Committee for Ethnic Minorities and Mountain Regions. It also met members of the press, lawyers, researchers and theoreticians. The delegation called on the Nguyen Dinh Chieu Blind Children School in Hanoi, the Polio Centre in Ho Chi Minh City and a number of churches and pagodas. It also met with the committee to receive repatriates from Hong Kong and called on some families of repatriates in the port city of Haiphong.

Radio Cites U.S. Reply to Trade Embargo Letter

BK1203093093 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 12 Mar 93

[Text] On 3 March, Mr. Christopher LaFleur, chief of the office on Vietnam, Laos, and Cambodia, replied to a letter from the president of the (Vinafer) Company sent to Ambassador (Winston Lord) and National Security Adviser Anthony Lake, calling on the United States to lift its trade embargo against Vietnam. The reply letter reads as follows:

We recognize the importance of economic benefits and U.S. commercial opportunities in Vietnam. Therefore, the process of normalization will be given scrupulous consideration by the new administration.

World Trade Union Federation Criticizes U.S. Embargo

BK1803064393 Hanoi VNA in English 0552 GMT 18 Mar 93

[Text] Hanoi VNA March 18—The Presidential Council of the World Federation of Trade Unions at its fourth

annual meeting in Larnaca, Cyprus, on March 12-13 adopted a message expressing solidarity with the Vietnamese working people and their trade union organization, the Confederation of Vietnamese Workers. The message said that the World Federation of Trade Unions wishes the Vietnamese working people and the Confederation of Vietnamese Workers new achievements in the renovation process, and reaffirms its solidarity with and support to its member organizations. The presidential council expressed its deep concern about the discrimination and economic embargo against Vietnam and calls upon the new authorities in the US to unconditionally lift those policies and to normalize political and economic relations with Vietnam. The Presidential Council also called on the world community, especially trade unions organizations, to give support in various forms and practical assistance to the Vietnamese people in their efforts in economic renovation.

EC Returnee Aid Program Progress Noted

BK1803063793 Hanoi VNA in English 0604 GMT 18 Mar 93

[Text] Hanoi VNA March 18—The EC international programme for the integration of Vietnamese returnees in the past one year and a half funded the running of 46 job-training centres in 18 provinces and cities throughout Vietnam. About 13,000 trainees have been provided or are being provided with technical knowhow for doing 44 kinds of jobs. Most of the graduates have been employed. The British Committee for Medical and Scientific Aid to Vietnam, Laos and Cambodia has sent a container of medical equipment worth tens of thousands of pounds sterling as aid to the Bach Mai and Hai Ba Trung hospitals in Hanoi and the Ky Anh hospital in Nghe Tinh Province. An American organization, Consortium USA, is funding four short-term job-training classes in the Mekong River Delta Province of Can Tho. One hundred persons who returned from refugee camps abroad to their native land in Can Tho, Soc Trang and Tra Vinh provinces are trained in hair-dressing and small business. The organization plans to provide vocational education to 2,000 more returnees in the Delta with a total fund of 412,000 US dollars.

Leaders Congratulate Fidel Castro on Election

BK1703140593 Hanoi VNA in English 1356 GMT 17 Mar 93

[Text] Hanoi VNA March 17—President Le Duc Anh and Prime Minister Vo Van Kiet today sent their warmest congratulations to Fidel Castro Ruz on his re-election as president of the Council of State and the Council of Ministers of the Republic of Cuba. The Vietnamese leaders expressed their belief that the dauntless Cuban people under the leadership of the Communist Party of Cuba led by Fidel Castro will overcome all hardships and trials and succeed in building and defending their socialist fatherland.

They reaffirmed the Vietnamese people's support and solidarity with the fraternal Cuban people and wished the Vietnam-Cuba cooperation and friendship constant consolidation and development. Also today, National Assembly Chairman Nong Duc Manh congratulated Ricardo Alarcon Le Quesada on his election as president of the National Assembly of people's power of Cuba.

Envoy in Malaysia Calls on Prime Minister

BK1703152193 Hanoi VNA in English 1426 GMT 17 Mar 93

[Text] Hanoi VNA March 17—Vietnamese Ambassador to Malaysia Ngo Tat To on March 16 paid a courtesy visit to Prime Minister Mahathir Mohamed. The Malaysian leader expressed his joy at the development of the friendship and cooperation between the two countries. He said he had no doubt that Vietnam, with its great potentials and its industrious and intelligent people, would develop rapidly. He reaffirmed Malaysia's continued cooperation with and assistance to Vietnam in order to help it develop the economy, soon integrate with the development of the world community and become a member of the ASEAN. He also informed the Vietnamese diplomat of Malaysia's readiness to help Vietnam assemble trucks, grow and can pineapples and build ports. He extended his condolences over the killing of Vietnamese nationals in Cambodia and expressed his wish that the situation in Cambodia will soon stabilize, the Cambodia issue settled, thus affording Vietnam, Laos and Cambodia more favourable conditions to develop.

Do Muoi Attends Party Organization Conference

BK1703125193 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 16 Mar 93

[Text] In Hanoi on 15-16 March, the Party Central Committee Organization Department held a conference with party affairs committees of various central agencies to discuss measures to renovate and revamp the party, formulate and perfect work regulations, and enhance the party leadership over key strategies.

Comrade Le Phuoc Tho, member of the Party Central Committee Political Bureau and chief of the Party Central Committee Organization Department chaired the conference. Party General Secretary Do Muoi attended and addressed the conference.

The conference asserted the significant role of various party organizations of the central agencies which have integrated a large number of key cadres of the party and state. These cadres play a decisive role in researching, formulating, and supervising the implementation of party lines and policies. They are the core staff of the party and state for various large-scale projects.

The conference stressed the necessity to seriously renovate and revamp the party and ensure consensus in thought and action among cadres and party members in

this regard. The conference also urged agencies concerned to formulate plans to train cadres and perfect leading organizations responsible for the convening of the party mid-term conference of delegates in late 1993 in anticipation of the party eighth national congress.

Addressing the conference, Comrade General Secretary Do Muoi asserted the significance and decisive nature for the party building task as far as the vitality of the party and the nation is concerned. He urged party affairs committees, party organizations, and party chapters of the bloc of central organs to develop their favorable conditions and overcome shortcomings in the organization and management of cadres. He commended these party affairs committees, party organizations, and party chapters for their efforts in formulating plans and regulations for the party building task, thus contributing to concretizing the resolution of the Seventh CPV Congress and that of the Party Central Committee Third Plenum, implementing the party statutes, and creating conditions for carrying out the party lines and policies.

The General Secretary urged party organizations of the central agencies to strengthen unity among their echelons on the basis of firmly maintaining party organizational principles and activities and upholding the party renovative lines.

Nguyen Khanh Visits Military Technology Institute

BK1703092393 Hanoi Voice of Vietnam Network in Vietnamese 1400 GMT 15 Mar 93

[Text] Comrade Nguyen Khanh, member of the Party Central Committee and deputy prime minister of the government, recently paid a working visit to the Institute of Military Technology. He was accompanied by leaders of the Ministry of National Defense and representatives from the Ministry of Education, the Cadre Affairs Department, and the School Affairs Department.

After hearing a report on the situation of the institute and visiting some of its installations, the comrade deputy prime ministers and his entourage noted with satisfaction that during the 25 years of operation, the Institute of Military Technology has made worthy contributions to the tasks of training and developing military, scientific, and technical cadres as well as scientific research work, while gradually developing itself.

Apart from training thousands of military engineers and commanding and advisory cadres in the technical field for various tactical units, the Institute of Military Technology has provided thousands of military cadres with advanced training under various forms to improve their scientific and technical knowledge and commanding and advisory skills in the technical field. Particularly, the institute has established a high-level training system for master degrees in science and technology in eight branches of study.

As far as scientific research is concerned, the institute has concentrated efforts on launching many scientific research projects at national and ministerial levels in support of work related to military training, combat readiness, and fighting as well as the production of defense and economic goods.

Addressing cadres, teachers, students, combatants, workers, and personnel of the institute, the comrade deputy prime minister expressed his pleasure at the fact that the institute has had a contingent of more than 500 teachers, including 140 holders of Ph.D. and M.A. degrees and 40 capably competent professors and associate professors. He said:

It is necessary for the institute to link its scientific research more closely to reality and establish close contacts with other schools for the extensive exchange of experiences in this work. The institute must continue to struggle to turn itself into one of the training centers of high quality of the state and the army.

Vo Van Kiet Receives Ethnic Village Cadres

BK1503154393 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 14 Mar 93

[Text] On 13 March, Prime Minister Vo Van Kiet met with the leading cadres of Thanh Xuong village, Dien Bien District, Lai Chau Province, on the occasion of his working visit to the capital city to report to the government on the local socioeconomic situation.

Thanh Xuong village is located in the heart of Muong Thanh plain and has a population of 1,068 households with 6,000 people, most of them belonging to the Thai ethnic minority group.

Prompted by his warm feelings toward and good impressions of Thanh Xuong, Prime Minister Vo Van Kiet recalled the profound souvenirs of his previous two visits to Thanh Xuong. He cordially inquired about local compatriots' well-being and production activities, as well as the changes that the tribal village has undergone in line with ongoing renovation and development in Dien Bien District.

Prime Minister Vo Van Kiet hailed the achievements and progress scored by the party organization and people of all ethnicities of Thanh Xuong. He sincerely exchanged his views on ways to organize production and people's welfare with leading village cadres as well as solutions to immediate problems, bearing in mind the need to rely themselves mainly on land, especially idle land and bare hills; the local work force which constitutes an existing source of valuable manpower; and

state-provided assistance in terms of capital, technology, and product consumption to promote agro-forestry development by gradually shifting to a commodity economy based on the selection of appropriate saplings and animal breeders of high economic value. In this way, Thanh Xuong will become a prosperous village in several years time thanks to its campaign to eradicate poverty.

Prime Minister Vo Van Kiet expressed special concern over an urgent issue—between 10 and 20 percent of households still experience great difficulties and 2,000 hectares of idle land or bare hills still go uncultivated. The prime minister made a suggestion that the locality encourage all families and hamlets, especially households having capital and manpower, to earn wealth by upholding the determination to reclaim wasteland, to cover idle land and bare hills with greenery, and to produce more goods for society.

Based on the socioeconomic peculiarities of an area with ethnic minority people, the prime minister suggested to authorities of Dien Bien District, Lai Chau Province, to set up an experimental project of building an organization with specific tasks on production and people's welfare. This organization, with ethnic cadres, will set concrete tasks to be carried out at specific times. Experiences learned from this project could help set up similar projects for other localities, cater to specific needs of each particular locality, and reflect the concern of our party and our state towards the mountain area and ethnic minority people.

Forestry Officials Face Legal Proceedings

BK1703132393 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 13 Mar 93

[Text] The Cong Tum provincial People's Organ of Control has issued a decision to initiate legal proceedings against Pham Van Tam, acting chief of the legislative service under the Cong Tum provincial People's Forestry Control Branch, for accepting 11.5 taels of gold and 24 million dong in exchange for his offer to help with the processing of the paperwork needed for a shipment of round logs from the province. The provincial People's Organ of Control also decided to initiate legal proceedings against Nguyen Thi Chi and Nguyen Chi Tham from the district capital of Pleiku, Gia Lai Province. Both were caught and charged with offering bribes.

Meanwhile, the organ of control issued an order to temporarily detain Mr. Pham Van Dong, chief of the Cong Tum provincial People's Forestry Control Branch. The period of temporary detention was later extended. Mr. Dong was charged with taking bribes and with exercising a lack of responsibility.

Australia**'Bitter' Conservative Leadership Struggle In Progress***BK1803074193 Hong Kong AFP in English 0855 GMT
17 Mar 93*

[By Jack Taylor]

[Text] Sydney, March 17 (AFP)—Australia's right-of-centre Liberal Party is embroiled in a bitter leadership struggle after the most devastating election defeat in the half century since it was founded by the late prime minister Sir Robert Menzies. Some analysts believe the outcome could decide not only whether the party presents a credible opposition for the next election, but its survival as an effective political force in coalition with the smaller National Party.

As vote counting continued Wednesday [17 March], the Labor Government of Prime Minister Paul Keating appeared set to increase its majority in parliament after becoming the first government to increase its share of the vote since 1966. Tainted by recession and the highest level of unemployment since 1937, it should have lost in a landslide.

Liberal leader John Hewson, who has called a meeting of the parliamentary party for next Tuesday to settle the leadership issue, is fighting to hang on against formidable obstacles.

These include the humiliation of leading the party to its fifth successive election defeat and reported doubts among his supporters about his emotional condition as he struggles to come to terms with the humiliation.

Apart from his deputy Peter Reith, who is also under challenge, only one other senior Liberal has publicly endorsed Hewson to stay on. His main challenge is likely to come from the party's "elder statesman," industrial relations spokesman John Howard.

Howard, who said Wednesday he will announce his plans "quite soon," is also seen as a loser, having been beaten as coalition leader by Bob Hawke in the 1987 election. As well, he comes from same discredited right wing as Hewson. He supported the same radical policies as Hewson, including a goods-and-services tax and tough new labor reforms which Labor said would have slashed wages and conditions.

Former frontbench MP Wilson Tuckey opposing Howard's candidacy Thursday, said: "I thought Mr Howard had a significant opportunity to lead our party over a period of time and was not successful in an election."

Others may challenge, but none is seen as more palatable to an electorate which clearly demonstrated its distaste for the kind of politics offered by Hewson and Howard.

This is because in forcing their ideology to the forefront during the late 1980's, the party forced out most of the left or small liberal wing.

Liberal federal president Ashley Goldsworthy warned MPs Thursday against public bloodletting and recriminations. "The party collectively lost the election on Saturday," he said. "That's a fact. It's now history. What we have to do is to focus on the future."

Political analyst Elaine Thompson of the University of New South Wales said it was such a grave crisis for the Liberal party "it is perfectly conceivable it could collapse completely." She said the party had few choices, but should get rid of Hewson and Reith because they were "totally delegitimised." "Keating will have a wonderful time making a mockery of the whole of the opposition," she said.

"In the long-term this could be very damaging to our democratic system because it depends on a reasonable opposition with a reasonable degree of authority standing up against the government in parliament, and they don't have that. "A party like this could quite easily collapse in the present crisis and a new party could emerge very quickly, which is what happened before under Sir Robert Menzies."

Sydney University professor of politics Rod Tiffen said: "When the Liberals lost in 1990, they were confident of winning the next election with a new leader (Hewson) untainted by the past and they knew the recession was deepening. "But now they are in a leadership vacuum, many people think the economy is on an upturn, and I think their despair is great.

Economy Expands 'Steadily' in December Quarter*BK1803092393 Hong Kong AFP in English 0248 GMT
18 Mar 93*

[Text] Sydney, March 18 (AFP)—The Australian economy grew by a seasonally adjusted 0.7 percent in the December quarter, giving a rise of 2.5 percent for the year, according to national accounts data released Thursday. The rise, at the upper end of market expectations, confirms other recent indications that the Australian economy is expanding steadily at a rate which, while slow, is one of the fastest among western industrialised countries.

The Australian Bureau of Statistics figures showed the latest increase was down slightly from a revised figure of 0.8 percent for the September quarter, but the annual growth rate lifted from 2.4 percent. It was the sixth consecutive quarter of positive growth and compared with a rise of 0.6 percent in the December quarter of 1991. The bureau said its trend estimates, which smoothed quarterly fluctuations, showed the fourth successive 0.6 percent quarterly rise in gross domestic product.

The figures also showed that economic growth was becoming more broadly based with almost every sector having a positive impact on the December quarter result. Business investment, the last element of growth to recover from recession, rebounded strongly in the December quarter after almost three years of continuous decline. Seasonally adjusted private sector non-dwelling construction rose 14.0 percent while equipment spending surged 20.9 percent. Real gross national expenditure rose 0.6 percent in the December quarter compared with a rise of 0.9 percent in the September quarter.

Most analysts had expected growth of between 0.3 and 0.7 percent in the December quarter. The latest data appears to disprove claims by conservative opposition leader John Hewson during the Australian election that the economy was heading for a double-dip recession. However, the growth rate, derived from the average of three alternative measures of Gross Domestic Product (GDP), remains too slow to reduce Australia's unemployment rate of 11.1 percent on the assessment of most economists.

Prime Minister Paul Keating has said annual growth of more than four percent is needed to reduce unemployment, which was at 11.1 percent in February.

Papua New Guinea

Government Statement Seen Easing Gold Mine Tension

BK1703124893 Hong Kong AFP in English 0912 GMT 17 Mar 93

[Text] Port Moresby, March 17 (AFP)—The Government of Papua New Guinea said Wednesday it would increase its stake in the giant Porgera gold mine to 25 percent, taking a five percent share from each of its three foreign partners for a total of 138.75 million kina (142.8 million U.S.). The announcement ended a period of tension which began when the newly elected government of Prime Minister Paias Wingti said last July that it wanted a bigger stake in the mine—the largest outside South Africa—because it was richer and more profitable than previously thought.

Making the announcement in parliament here Wednesday, Mining and Petroleum Minister Masket Iangalio [name and title as received] said the government was satisfied that the three joint venture partners had not withheld information about the mine's resources. The government would spread payment for its extra equity over 16 years, but the joint venturers would receive full tax benefits from the share until it was fully paid for, he said.

Shares in Highlands Gold rose by one Australian cent to 83 cents on the Australian stock market after the

announcement, but shares in the two partners slipped, Placer Pacific by eight cents to 1.72 dollars and Renison Goldfields by six cents to 3.14 dollars. The three companies currently each hold 30 percent of the mine.

Iangalio said the decision to increase the government's holding was "to meet national priorities and to ensure the long-term stability of the project," located in the central highlands. "No one could argue that this is not a good deal for Papua New Guinea," he said.

The additional equity would be paid for out of the government's share of net profits from the mine between now and the year 2009 and would raise its share of total profits from Porgera to 51 percent from 36 percent. The joint venturers "will be entitled to the entire tax depreciation benefit attributable to the 15 percent until such time as it is fully paid for and full title subsequently transferred," Iangalio said. There would be "no adverse tax consequences" for the three foreign firms as a result of the transaction, he said. Iangalio also said that the four parties had agreed to spend five million kina a year for ten years on developing infrastructure around the mine and in Enga Province.

The government was "now satisfied that the increases in resources at Porgera over the past three years were the result of ongoing exploration and technical reassessment," he went on. The government accepted that there had been "no withholding of information prior to the granting of government approvals in 1989," the year before Porgera began operations. Porgera produces 1.4 million ounces of gold a year.

In its latest half-yearly profit statement, Renison said three weeks ago that its operating profit from Porgera fell from 56.6 million Australian dollars in the second half of 1991 to 39.9 million in the second half of last year because of declining ore grades.

Solomon Islands

Authorities Suspend Unidentified Aircraft Warning Fire

BK1803083293 Melbourne Radio Australia in English 0800 GMT 18 Mar 93

[Text] Solomon Islands has suspended an order for security forces to fire warning shots at any aircraft that enters its air space from Papua New Guinea (PNG) and fails to identify itself. Prime Minister Solomon Mamaloni issued the order two weeks ago after a PNG aircraft flew into Solomon Islands airspace illegally. Mr. Mamaloni said an observation team in the border region had witnessed continued violations of the country's airspace by PNG defense force planes since last October. Police force field commander, John (Homolo), says the order has been suspended to ease tension between the two countries over the common border.